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STENOGRAPHER'S NOTES OF PROCEEDINGS
BEFORE THE ASSISTANT ATTORNEY GENERAL FOR THE POST
OFFICE DEPARTMENT.

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In the matter of :
The use of the United States Mails by :
The Cartilage Company and Cartilage :
Treatment Company, Rochester, New York. :
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Washington, D. C.,

September 22, 1913.

11 o'clock a.m.

The hearing in the above entitled case came on to be heard
at 11 o'clock a.m., before Hon. W. H. Lamar, Assistant Attorney
General.

Present: D. L. Carlton, Esq., Assistant Attorney, J. Julian
Southerland, Law Clerk, in behalf of the United States.

Present also: John J. Vause, Esq., and John J. McInerney,
Esq., on behalf of the Cartilage Company and Cartilage Treatment
Company.

Present also: Inspectors G. G. Kimball and O. B. Williamson,
Dr. Daniel S. Lamb, Dr. Frank Baker, Mr. K. Leo Minges and Mr.
C. F. Clerk.

--ooOoo--

PROCEEDINGS.

Mr. Vause: We presume that a copy of the record of the proceedings will be furnished to us if we paid for it.

The Assistant Attorney General: Yes.

Mr. Vause: Now as a part of the record so that you will be then able to preserve it in writing and so that the matter may be properly presented to you, I will again on behalf of the Cartilage Company make an application for the adjournment of these hearings until after the trial of the criminal charges, giving the same grounds which were heretofore advanced very briefly:

1. That this company and the parties who are named in the order, or in your recommendation are under an indictment of the United States District Court, Western District of New York and the indictments were found in June, 1918, previous to the issuance of your recommendation.

2. That in view of the fact that the United States Government has elected to proceed against us by indictment, making the same charges which practically are made here, involving the same questions; we maintain that it is unfair and it is unjust that we should be put to trial twice, in the sense that we maintain that we are not now conducting the business which is charged in your recommendation, nor are we using any of the representations which are charged to be violations and untrue.

Thereby we claim that so far as we are concerned we are not greatly injuring or inflicting a damage upon the people at large, or the Government, and that it has no rights to protect, which as a matter of fact it could not protect by this issuance of a fraud order.

The Assistant Attorney General: You mean to say you are not receiving mail?

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Mr. Vause: We are not receiving any mail in response to any of the literature which it is charged in your recommendation contains false representations.

The Assistant Attorney General: What mail is being received now?

Mr. Vause: The mail that is now being received is mail in response to the following conditions:

1. That which comes as ordinary business mail to a concern, such as bills, etc.
 2. Mail that is received from persons or concerns through no literature whatever sent out by this company, through no mail transactions.
 3. From people who are sending in reorders, or orders for parts that were previously tested. From people who appear to know for themselves the efficacy of the proposition and have all those things which go with it, and consequently those people are not in any way, shape or form being defrauded.
 4. People who are sending in and purchasing upon the recommendation of others; people who have not in any manner received any literature through the mails and to whom we have been recommended by others. There are some letters from people who by reason of the conditions arising here and out of the other cases, have seen fit to ask for refunds; which under our contract with our customers we agreed to make.
- And that is the class of mail that we are receiving now; mail in response to no literature we have sent out, because we have discontinued the sending out of literature back several months.

The Assistant Attorney General: Do I understand then that if you receive an order which does not indicate what this order is the result of you fill it just the same.

Mr. Vause: I say that the orders which we are receiving now-- we can tell from our files whether they come in response to another

to another order, or whether they are new orders coming in; the letters indicate also whether they are because of recommendations of customers.

The Assistant Attorney General: When you receive an order you go to your files to find if it is a reorder and if not a reorder you do not fill it?

Mr. Vause: We do fill it, because there are a great many orders other than reorders; for instance, as when one customer who has never dealt with us has sent an order because of recommendations of other customers, that is not a reorder, that is

the original transaction with that man and we have not in any way had any dealings with him through the mails and consequently it is in no way a scheme being used through the mails to defraud.

The Assistant Attorney General: Did you advertise your plan in the newspapers?

Mr. Vause: Yes.

The Assistant Attorney General: Then how do you know that some of these orders that are coming in are not in response to the advertisements that went through the mails, being in the newspapers?

Mr. Vause: To better explain the method of our business--and it might be that it will be with reference to all mail order business--when an advertisement goes out in the paper there is always a key number. That is to say, there is some indication which shows when that mail is received, in answer to what advertisement that letter comes in reply; that is in what newspaper. The reason why this is done is, as you can see, from a business standpoint, as we keep records of the number of replies that has this key name or

number or other identifications marks on it. By that method we are able to determine what papers are good and what are bad; and

if, for instance, we ascertain that we have advertised in a certain

paper and all the answers that come in answer to that advertisement

were, for instance, one hundred and we are paying two hundred dollars

for that ad and we find out that they were costing us two dollars a piece when we feel that they ought to bring us in five hundred or a thousand replies. And so for that reason we count every answer which comes in, and we can tell whether it is in answer to an advertisement sent out; whether an original transaction, because of our being recommended by other customers, which would be, by, for instance, someone recommending you to me, and you having used the article and I would like to have it, I would order and close it out.

The Assistant Attorney General: Then if you receive an order without this key number or letter, you assume that it is an order which comes through the recommendation of some previous customer?

Mr. Vause: If there is no indication that we have ever had any correspondence with that person before; if we have sent no literature to that person, which we ascertain from our files.

The Assistant Attorney General: Now if a person in answering your advertisement in the newspapers, and in answering your house, failed to give any key number, you would assume--

Mr. Vause: He would not know any numbers except those in the advertisement,--how would he know? He can know nothing except that number, there would be no other way in which he could write except through that key. We are bound to know, as a matter of fact, and we assert it as a fact, that through the big mail order business of the company and the methods used, we know as a matter of fact, and we can classify every letter which comes in under the head to which it belongs.

Mr. Southerland: They do not necessarily have to put your key number in their letters. Suppose they address you simply "The Cartilage Company, Rochester, New York?"

Mr. Vause: That would not appear in the ad.

Mr. Southerland: That would reach you wouldn't it?

Mr. Vause: Of course they might send it to Mr. Jones or Mr. Minges, but the question is that if I have the "C" Company in my ad and there is nothing in it to explain that it stands for Cartilage Company, is there any way in which the person can answer that ad except simply the "C" Company? There is an identification mark there which permanently belongs to that ad which we can connect up.

Mr. Southerland: Suppose they address you the Cartilage Company, Rochester, New York. How are you going to know?

Mr. Vause: We still insist that if we have had no more correspondence we know that it is an answer an answer of our ad, and these are the two methods used: First, the address and number, and second is the reference to the department; so that if a person wrote in and we look up our records and we find there is any record of former communications, the comparison of their address with our records behind indicate to us positively, without the question of doubt, where that letter comes from and how that transaction has started, and shows how it started, whether by recommendation, by previous order, reorder, or whether from a broken part, or whether it is a refund, and our records are such that we can determine the history of the case, and the length of time we have sent out literature.

You have records in this office, which indicate and give comparison between the amount of mail received today and a year ago. The mail received a year ago was in large amount, and you know as a matter of fact that the mail today is comparatively very little or nothing, and so the question as to whether or not any person or individuals are profited by reason of the one-sided protection, and on our side the damage and injury that is done us--is so vastly different and so overwhelmingly in our favor--that we urge for these reasons and for other reasons that we maintain and still urge, that this is unfair and unjust, and it is illegal for the Department to go on with these hearings and attempt to issue a fraud order against us, after having taken the position that they have taken heretofore.

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I will admit to you, beyond question, that if we had been proceeded against in a fraud order and had a fraud order issued against us and then criminal proceedings, we do not deny that we would have no objection to these proceedings, but I do urge and do submit on the conclusions that I will lay before you, that this is certainly unjust and unfair for the Government to take the attitude that they have taken, especially in view of the condition of this case, and the effect it will have on it by our failing to use the mails in the conduct of the case, by sending out this order, based on allegations which we deny on our part and we urge that every one of these representations are true, and we say that in view of the damage done to us, that it would be unfair and unjust to proceed with these fraud order proceedings at the present time.

The Assistant Attorney General: Will you state the last date upon which you sent out any advertising matter whatsoever?

Mr. Vause: Our advertising in newspapers, and so forth, was discontinued several months before the indictment was found. Our sending out of literature was discontinued before the indictment was found.

Mr. Williamson: Why was that discontinued, Mr. Vause?

Mr. Vause: Why! I will also call your attention to the fact that in June prior to the year in which this indictment was found; and I was also going to make that one of my grounds, in June prior to the year in which the indictment was found--that would be June of last year--we knew from the correspondence that was being sent out by the post office officials, that our business was being investigated; we also knew the nature and character of the letters which were being sent out by the post office inspectors, tending most certainly to injure our business, instead of helping it. We knew that charges were contemplated, and as a matter of fact, that charges were going to be made against us. We knew the people who

were to be involved in the charge a very short time after the inspector appeared upon the scene at Rochester. The result was that prior to the time of our indictment we submitted ourselves to the inspectors and were willing to put ourselves in a position to give them any information and assistance in any shape as well for the purpose of ascertaining our business. From the conduct of the inspectors and the method of their procedure we knew that there was going to be trouble. Now that being the condition of affairs as business men and attorneys advising them, we said "If you are going to have trouble of this character, it is far better for you to make no contract falling due hereafter, which would be due when you cannot take care of them." As a result and as a protection to themselves, why naturally they discontinued any of those methods which would tend to increase their expenses and make their liabilities larger. And so the result is, that as one of the reasons I advanced, the Post Office Department has since June, 1912, been investigating us, --a whole year before June, 1913, when the indictment was returned. In one whole year with the evidence acquired in that time they had sufficient evidence to know whether we were conducting a fraudulent business. If during that time we were proceeded against on the ground of a fraud order; if during that period the Post Office Department having made these investigations for a year, and not only these but other investigations where other inspectors had called in and examined our business and went away satisfied, if a fraud order proceeding was commenced against us, it would not have been unjust or unfair if afterwards we were indicted; but in view of the fact that the Department has taken a year and after an examination, after doing all this the Government has proceeded against us, criminally made charges, then on top of this the Post Office Department comes along and makes these further like charges and asks us to come down here and to disclose the conditions of our affairs, and disclose our position, I am going to show as ground for adjournment.

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Now as a further ground, a reason why proceedings should be adjourned, because the trial of all these issues will be tried before a jury and be tried in these criminal proceedings, and it will be determined there, after we have had an opportunity to cross-examine our witnesses, produce our witnesses for defense and examination and so forth, to show as a matter of fact whether we are conducting a scheme to defraud. You can, therefore, see that if a fraud order is issued now and it should be determined after a thorough thrashing out of these issues, which issues are the same as those in evidence before--if a jury should find we are not guilty--we are confronted with the proposition that this Department under sections of the law and evidence, where we have no opportunity to cross-examine witness and so forth, we are practically ruined and our business involving thousands and tens of thousands of dollars, a business in existence over ten years is wiped off the face of the earth and we are then deprived of the uses of the mails ⁱⁿ ~~in~~ the conduct of our business, and we are deprived of property, of letters, sent by others through the mails.

So for that reason we say in further ground, that after having found these indictments and having put us under criminal charges, -- for not only the company but individuals are named in your recommendation, the same individuals--I say it is unfair for the Department now to come along and insist upon our divulging our witnesses, and our evidence, practically giving the Government all our material, all of our defense, all of the ammunition which we should not be compelled to disclose at this stage of the critical position that we have been placed in.

Mr. Southerland: Just one moment, I would like to suggest that I cannot see the force of Mr. Vause's argument, when he insists that if the fraud order proceedings were completed and a fraud order issued then he will have no objection to an indictment.

Mr. Vause: The further ground I submit is that by these fraud order proceedings, we have to present our evidence and our position, which would be practically disclosing our defense in the criminal case, as I stated, and it means that the Government knows our position while we know absolutely nothing of theirs, and we are in a position where the failure to allow us to use the mails will practically preclude us from the preparation of our defense in the criminal proceedings. We urge that we are using the mails rightly now for the getting of evidence, and the company is accomplishing hardships, for getting this evidence is such that the use of the mails is the one way whereby we can get evidence properly for the conduct of the criminal cases.

The Assistant Attorney General: I would like to ask if the attorneys cannot conduct whatever correspondence is necessary in the preparation of these cases without any handicap to the defense.

Mr. Vause: Our answer to that is this. That the attorneys, and especially myself, from past experience of my own from twenty-five years in cases of this character, know that the confidential relationship between this company and its customers is something that can be continued for the purpose of getting from them the data and evidence necessary to bring these people as witnesses in a frame of mind where they are favorable. You must realize that these witnesses are, from the position they are in, in a position to come to us voluntarily, and the company can better reach these people, better get the facts, because letters from attorneys in my experience have a tendency to scare the customer; they mentally see proceedings in court and all the troubles of like character before them, and it is harder for us to get the information and get "next" to those witnesses and keep them friendly, than it is for the company with whom they have been in friendly relationship by communication for a long time. And the only manner is that the company delve through dozens of files, and through its records containing the confidential communications which we have had with these people; that is

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the only way in which they can get these people to come forward and testify voluntarily, and a detriment is done when an attorney "butts in" and tries to explain the reasons why.

Another reason is if a fraud order is issued and we are compelled to go on with the proceedings and show our evidence, we are confronted with the proposition that this fraud order which is issued in proceedings of this character which do not permit us a trial as we are entitled to, such fraud order will be published and it is known throughout the United States, especially in our district; especially in that territory where juryment will be called upon for our criminal cases, and the result is that such a report, given as it is, and I presume we have a right to take notice of the way in which such things are sent out-the result is that the jurymen are prejudiced in the first case and are biased and unfair because of statements that we have been declared frauds, our business fraudulent, and we have been declared fraudulent, and the result is we come in the trial not with the presumption of innocence, but we have to override prejudice because of the unfortunate action the Government has taken.

And another reason why we are entitled to adjournment in these fraud order proceedings is because the law says that under no circumstances shall any one open mail except the person to whom it is addressed. As a matter of fact the mail, though fraudulent, is sent to the addressee when he is know, but when not known it is sent to the Dead Letter Office at Washington and there it is opened. Of course we do not charge that; we do not want to be understood as charging only as the facts and circumstances warrant a natural deduction and inference and argument, that any arbitrary use will be made of the mail once it comes into the hands of the Government; but nevertheless, we are confronted with the fact that the Government comes into possession of our evidence and the other correspondence which we want to use in meeting our criminal cases, where liberty is

at stake, and thereby they get possession of the letters and evidence, because under the law they cannot be delivered to us even though under the law we prove they are necessary and material for our defense. They go in the usual course that if there is nothing in the interior to indicate who the letter is from, the letter after being read is destroyed. And practically the Government by these proceedings is hampering us and putting us in the position where our evidence--some of it, as we know the vast amount of our mail--is going to come in the hands of the Government and we are going to be deprived of our constitutional right--

The Assistant Attorney General: If the mail could not be returned because of insufficient address, how could you use it as evidence?

Mr. Vause: I mean a letter is sent to us on the outside of the letter nothing is indicated to know whom it is from, yet the name of the sender is ascertained and the letter is returned to him.

The Assistant Attorney General: If the letter is destroyed?

Mr. Vause: No, that letter must be sent back to the person whose address is on the inside.

The Assistant Attorney General. ~~But~~ But you advance the theory that some of these letters were going to be destroyed because of insufficient evidence?

Mr. Vause: I am going to show you, --the first class of letters. The second class of letters are those sent, which do not contain an address inside or outside, those are destroyed. Of course you ask the question whether that letter would be of good evidence. It first imparts to us the information that we want, the facts, the circumstances, the data and the material and necessary evidence in that letter which we are seeking, for we know the address of the person, we have written to them before, we have their name on the files, all we have to do is receive a letter from John Jones, our files tell us the

rest, With reference to testimony, we can then subpoena John Jones, because of prior communications which we can identify which this man has written to us. So you see his address is not essential to us; we know by our records; we know because of correspondence we have sent that man, because the post office is not the key, although they may have a postmark on the outside, Chicago, for instance--

The Assistant Attorney General: That is not sufficient. I suppose you understand that under the law that information cannot be given, and nobody except the person who handles the letter in the Dead Letter Office knows anything about the contents of that letter.

Mr. Vause: Of course the law is there, but the fact remains, and it is the danger where our liberty is at stake, we say is well worthy of consideration on behalf of the Department at the present. And I may say that our company and other offices in Rochester have been compelled in the past year and a half and for a longer period to complain to the local postmaster of the loss of a large number of letters. Complaint has been made that letters sent to us have not been delivered and we have complained to the postmaster, and we presume that they have been placed in the hands of inspectors; but suffice it to say those letters have never been delivered to us. We have on the other hand the complaints of these people--it is a fact--to show that the mail was lost. I presume you will take knowledge of the fact that the post office employees--no individual--we know there are certain employees that do steal mail; we know that those letters are used by the inspectors, if found, for the purpose of catching those clerks in the employ of the post office. The point I raise, is, you are opening the door, so far as we are concerned for the Post Office Department to get possession of our documents and our evidence.

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We go on and say as further ground that we should not be compelled to go on with these proceedings because of the following fact: Prior to the finding of the indictments against this company, a subpoena duces tecum was served by the United States Government through the United States District Attorney for the Western District of New York, and in pursuance to that subpoena all of the records; all those documents and records called for, were produced and turned over to the District Attorney. We have had no opportunity of taking those records and going through them, classifying and examining them for our use.

The Assistant Attorney General: They have been put at your disposal.

Mr. Vause: The history of the case has been as follows: We were called upon to plead in the early part of July and a motion was made before Judge Murray, and that was before your present proceedings were known, a motion was made on the part of Judge Murray on behalf of the defendant that the District Attorney turn over to them all of those records and files on the ground, because they were necessary material for the preparation of our defense in this case. You realize that if they were necessary there they would be necessary here. That was recognized, so that the District Attorney agreed that if that motion was withdrawn, other than those documents which he wanted, he would return them to us. A letter was written to the District Attorney requesting that those documents be returned to us, and such part---

The Assistant Attorney General: When was the first part of these documents returned to you?

Mr. Vause: The 15th of September, less than a week ago.

The Assistant Attorney General: Then none of them have been returned at all?

Mr. Vause: The subpoena, I am advised, was served and before the indictment was found some of the card index was returned; most of our

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material, most of our letters, files, record books, and so forth, were retained and not returned until the 15th of September. All of our material has not been returned up to the present time.

The Assistant Attorney General: Now that portion that has been retained has been put at your disposal for inspection has it not?

Mr. Vause: We are advised, and we believed that on the fifteenth practically all of this material was going to be turned over to us, while we found out on the fifteenth that a certain part has been retained in their possession. While it is true we have had access, you understand our position Judge, that we are bound to come down here in the presentation of our answers and our defense, we are presumed to corroborate that to some extent, but the original documents if once put on file are retained in the Department as part of the record in that case, consequently it would necessarily make the attorneys go through all those records, go through all those books, whether in the possession of our clients or adversary, and there ascertain by delving and by separation, and then because we have to have copies of those letters made for the purpose of proving our case down here, that involves our files, part of which are in Rochester, which remained there, and we cannot produce them for you, because then they would be inaccessible for us, and especially on account of the action of the District Attorney. The result is that relying upon the promise of the District Attorney made in open court that he would return these letters and documents, and so forth, and to the inability to get them and our delay which was a natural delay during the summer months, we have been compelled to, and we have made a motion in the District Court, which motion is returnable next week, directing the return of this property to us, and that motion is now pending, and the evidence and the grounds of each successive step, after the efforts we have made to get possession of these records, and the unfortunate condition, which of course ---

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The Assistant Attorney General: You do not seem to answer the question which I put, as to whether or not you have been tendered access to those records which have been retained for the purpose of making your defense in this fraud order case.

Mr. Vause: The access is not sufficient. We must have access to make extracts; we would have to bring stenographers there; the attorneys would have to take thousands and thousands of pieces of paper and go over them, under the circumstances that would be almost taking up all the time before this charge was reached. Then the District Attorney, Mr. Bain, has been absent a great part of the time and we could get no response from him at all. This is all set forth in the affidavit which I am willing to file. Not only the fact that Mr. Bain is not in town but Mr. Williamson was absent and the result is that we have to await his pleasure and his return. Those conditions are conditions which naturally come up in the period of time when we are brought down here, during summer vacation. We know that the inspector is entitled to his vacation and from the fact that the district attorney is going to be away they are not going to be in town to take care of those papers. All we know is that since the first part of July, since the motion was made we thought they were going to be turned over, and of course, the attorney could not be at the place wherever these papers are, because the original documents are still remaining impounded by the court there--they cannot be removed; cannot be taken away because of the action of the District Attorney.

The Assistant Attorney General: I would like to ask counsel one question. If it is not a fact that so far as this office is concerned they have been given more time than he had indicated he would need?

Mr. Vause: I would say that courtesy extended would not be denied, and on the understanding that the records were going to come

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along, we naturally presumed that they would be in our possession in ample time necessary to prepare our records in this case, and we ask for adjournment of short duration as evidence of good faith. As a matter of fact on the date on which the adjournment was fixed we had absolutely no word from the District Attorney whether he was going to deliver part or all of our records back to us; we cannot ascertain where the records are, and in the absence of Mr. Bain and Mr. Williamson from the town we could not tell where they were. Our affidavit so states the fact to be and so the result is we are in this position; we are, in the decision of the United States Government, served with a subpoena duces tecum; on the basis of that we have turned over to the Government the papers called for; we have made a motion and been promised the return of those records, and we know that the records which are being detained in this case are the records beneficial to the interests of the United States Government in the criminal case. They are not essential, and as a matter of fact, if they will stipulate on the records that every piece of paper, every document, every clipping, all of the material which they have not turned over to us, are going to be put in evidence, then we will understand whether they are evidence necessary. But they can't be; they are records that we will have to use either here in the presentation of our case, or in the criminal proceedings. They are only records which will show that there was good faith on our part. In The Cartilage case we have had some papers returned, and in the others absolutely nothing.

The Assistant Attorney General: Have they not all been returned?

Mr. Vause: No sir, they have not been returned in the Cartilage case and we do not know where they are; that matter is as I say. You can see the position; we are between these two crushing stones; we have stipulation in the open court, and relying upon it we waited, now we are surrounded with the proposition entirely different. The earliest moment that we ascertained that the records were not going to be returned we then made our motion in the District Court in order to show

in Rochester, and I turned over to him the following books and records:

One New York Institute of Science Cashbook
One " " " " Ledger
One " " " " Record,
One containing Bylaws and minutes
One record containing bylaws and minutes

One Cartilage company scrapbook
One Cartilage Company Journal
One suitcase containing testimony and letters.

The Assistant Attorney General: Are those all the records you received from the Cartilage Company?

Mr. Williamson: All the records and books which we received from them under that subpoena duces tecum.

The Assistant Attorney General: Have you returned to them every record that they delivered to you?

Mr. Williamson: Yes; that is, all the papers in the Cartilage Company case which I have.

The Assistant Attorney General: Do you contend that we have some papers in the Cartilage Company case?

Mr. Vause: Most emphatically yes. Inspector Williamson's attention was called to this fact, as Mr. Minges makes affidavit in this connection that he did not see the scrap books until September 15th when the said cases were turned over to him, and his affidavit showed that there was missing certain extracts and various other original data and showed also the absence of letters of recommendation - lost; we will put it that way because there is a possibility they were misplaced. We do not say that they were charged to that.

The Assistant Attorney General: In relation to this schedule which you have just read, are you positive of the fact that any such records were in your hands?

Mr. Williamson: Every record which was turned over to

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Mr. Southerland: Citation of charges of Post Office Department, dated August 4, 1913, in the matter of charges that the Cartilage Company and the Cartilage Treatment Company, at Rochester, New York, are engaged in conducting a scheme for obtaining money through the mails by means of false and fraudulent pretenses, representations and promises. It was duly transmitted and delivered to the Cartilage Company. A letter from the postmaster of Rochester, New York, dated August 7, 1913, states that a copy of these charges were delivered to the Cartilage Company, to Mr. Minges on the 6th of August. Now, first I want to make a statement of the general scope of this scheme.

The Assistant Attorney General: I want to ask that you make your statement as brief as possible, as the doctors want to get away to their business; so get down to the testimony as briefly as possible.

Mr. Southerland: I will read you an advertisement which I will ask Inspector Williamson to identify.

Mr. Williamson: Yes, that is an advertisement of the New York Sun, dated February 18, 1912.

(Mr. Southerland then read the article hereto attached, marked Exhibit "A".)

Mr. Southerland: I read an advertisement which I will ask Inspector Williamson to identify, entitled "Make yourself 3 inches taller".

Mr. Williamson: That is an advertisement from "Physical Culture" of June 1912.

(Mr. Southerland then read the article hereto attached, marked Exhibit "A".)

Mr. Southerland: I want to offer in evidence the book which is sent when one answers that advertisement, which is

entitled "How to grow taller." I will ask Mr. Williamson to identify this and tell me where it came from.

Mr. Williamson: That was sent through the mails from Salem, Ohio, to me by the man who received it from the Cartilage Company. He placed his initials on this book according to my instructions. His initials are "J.J.T." -- James J. Thomas. I am reading from page 3 of this book:

"The cartilage throughout the entire body is affected with my invention, and it cannot possibly injure you. It is a guaranteed benefit. What my method has done for others, it can do for you. It has increased the height of others, and it will do the same for you. Why go through life short and stunted when you can become taller and more graceful by following my system. We shall be pleased to write any one personally and tell them what they may expect if they decide to follow the methods used by this institution."

From page 4:

"If you are not fully convinced that our method is absolutely harmless, we will consider it a great personal favor if you will write to any of the references whose names and addresses appear in our literature and ask them what they think about it. We get a large amount of business through one person recommending us to another. This is another proof that our system is both harmless and efficient, because a person would not recommend a method to a personal friend if he felt the slightest injury could result from its application."

Mr. Vause: Very true - one person recommending us to another.

Mr. Williamson: Reading from page 6:

"Cartilage forms as it were, the cushions of the body, without which we would, at every step, send a severe jar and vibration through the entire body, which would in a short time completely wreck the most perfect specimen of humanity."

"These cartilage cushions readily respond to our method. With the Cartilage apparatus these paddings can be made to lengthen to a reasonable degree, and can be exercised into a healthy pliable condition."

"The object of the Cartilage Method is: First -- If a sufficient amount of cartilage does not exist then we cultivate cartilage by the aid of our invention. Section -- Where a sufficient

amount of cartilage does exist, but is flattened or inelastic, our invention causes it to expand and restores it to its normal state."

Page 7:

"If your joints feel sore and irritated, if your bones seem as though the weight of the body was too great for their endurance, it is because the cartilage is either misplaced, or lacks development, or is of unhealthy or inferior quality. It needs the assistance of our method."

I read from page 14:

"x x x As the appliance leaves our office it is adapted to the harmonious development of height and the entire form."

Page 15:

"x x x The apparatus is by no means complicated, but can be applied as easily as putting on a jacket; Simple in itself it has wonderful facilities of working upon the entire body, and the results are almost incredible. Often our patients are amazed at the results accomplished in the short space of time."

Page 16:

"Our principles are based on Nature's own laws. When the cartilages are given an opportunity to expand, they develop with remarkable rapidity. Our apparatus and body harness is so arranged as to adjust itself to the entire body, or any part of the body. By its use, the cartilage throughout the entire body can be affected, and in a short time it responds to the action of the apparatus."

Page 22:

"We are often asked the question, 'How long will it take me to grow two inches, three inches, &c?' This largely depends upon the condition of the cartilage, tendons, muscles, etc. Some notice a perceptible change the first week, while with others it takes longer, usually the younger the individual the more easily the results are accomplished. Some will grow one inch the first month, one-half in the second, and a half in the third and so on until they reach an increase in height from two to five inches. x x x

"Some of the most intelligent people of this country are following our system. Among our patrons are numbered ministers, lawyers, doctors, manufacturers, mechanics and laborers. We shall be glad to write any one and give names and addresses of those on whom we have successfully produced results."

"We have sold our apparatus to physicians to be used in special cases, and we invite physicians to correspond with us relative to any case they may have. We will hold such correspondence strictly confidential and give our honest and candid opinion of what may be expected if they desire to treat a case by our methods."

Page 31:

"Having spent much time studying the nature of the cartilage at a great expense, I feel as though I should ~~be~~ give every one an opportunity to benefit by my knowledge. This can not be accomplished, however, without incurring more expense than I could possibly afford.

"I want every individual who requires my assistance to know that if it were possible ~~to~~ me to send my method and appliances free nothing would give me more pleasure, as I realize that I could do nothing to more real benefit to suffering humanity, but I am not financially able to do so, and when I became connected with this Company it was one of the first promises I exacted of the Company that the charges must not be exorbitant, as it was my earnest desire to place this method in the hands of the poor as well as the rich. The price of my method and appliance to increase the height is within reason and can be obtained by any one of only meagre income.

Page 37:

"A large number ~~xxxx~~ asked if they will retain the height which they have reached after they discontinue our method. Among the thousands of letters which we have received from our patrons, not one has ever mentioned having lost the smallest fraction of an inch of his increase."

Page 42:

" x x x My apparatus ~~and~~ and courses, used according to my instructions, will increase the cartilage from the first vertebra down to the heels, including the arms as well. My theory and claim is that by repetition of this process, you will eventually grow taller. Each time you use the apparatus I claim that you increase your height a little; and these small fractions of an inch go towards producing the two inches which I guarantee. Many of my students grow considerably more, but, as we are very conscientious in our statement, we only guarantee from two to five inches. X x x"

Page 38:

"When you grow old ~~xx~~ you shrink. This is due to a flattening of the cartilage and a contraction of the muscles and sinews of the entire body. There is no reason why an old person should shrink.

now that the cartilage method has become known, as this method can be used by the old as well as the young. It will assist old people to remain healthy and strong. They only need to use it occasionally to produce satisfactory results. By applying it occasionally, it will prevent the natural shrinkage in old people. If you are short at the present time, you can see the importance of taking this method up at once, because when you grow old you will be a great deal shorter than you are at present if you do not do something to make you grow tall before you get old."

Mr. Kimball: Now, Mr. Williamson you have in your possession some letters to follow that up which you received in the mails.

Mr. Williamson: Yes, these came through the mails which I have in my hands.

Mr. Carlton: Will you please go on and read extractions from the letters; it will take too long to read all of them.

Mr. Williamson: In a letter dated November 15, 1912, addressed to Mr. C. W. Walker, Chicago, Ill., ~~addressed to the~~ --

The Assistant Attorney General: Who is Mr. Walker?

Mr. Williamson: He is a person with whom I have corresponded for the purpose of obtaining letters which were sent through the mails. Here is what was written him:

(Mr. Williamson then read the letter described above, ~~marked~~ attached hereto, marked Exhibit 1.)

Mr. Williamson: From letter dated 1/19/12, addressed to Mr. Jos. A. Brangan, New York City, N. Y.:

"Since we have taken inventory at this institution our records show sufficient material on hand in our factory which would enable us to manufacture about 110 Cartilage appliances. After careful consideration, we have decided to send out these appliances into different territories, thereby introducing them to short men and women.

The best proposition I can make you, is to send you the complete outfit, as nearly as I can figure it at cost, which is \$6.80, no balance."

This letter is signed The Cartilage Company, E. Leo Minges,

Manager and Originator. (Letter attached hereto, marked Exhibit 2)

From letter dated 5/11/12, to Mr. A. Alfonsi, Oquossoc, Me.:

"A remittance of \$3.00 is what I am going to talk about later on in this letter."

"x x x x I am giving you this great reduction an opportunity of a life time merely to introduce my wonderful method to your short friends and acquaintances, but at the regular price to them \$10.00 while to you it is but \$3.00. If you mention the \$3.00 price to any one else; remember, you are destroying the confidence between you and I and I will not take their order for less than \$10.00."

Signed The Cartilage Company, K. Leo Minges, Pres. and Mgr.

(Letter attached hereto marked Exhibit 3.)

In letter dated 3/5/12, addressed to C. W. Stout, Trenton, N. J.:

"x x x
"The Cartilage Company is a \$50,000 corporation and financially responsible in every respect. If you doubt my word you might write the Alliance Bank, the largest bank in Rochester. They will tell you that we are reliable and will do as we agree."

(Letter attached hereto, marked "Exhibit 4".)

Mr. Vause: Do I understand the object of introducing this evidence is for the purpose of showing that the bank will not do as stated in this letter?

Mr. Williamson: Will you vouch for the business as implied.

Mr. Vause: At this point, I most certainly will object to the receipt of this or any other letters excepting they are in support of the allegations we are brought here to meet. I urge a proposition of fairness and as of law that it is alleged in the recommendation that we are conducting a scheme or business to defraud, which is nothing more or less than a conclusion of law. In support of the conclusion that the scheme which we are conducting is a fraud, and as part thereof, it is claimed we make seven certain representations and it is claimed that those seven certain representations are false and fraudulent, and by reason of that we are conducting a fraudulent

business. Now we are brought down here to answer those seven representations and the construction that is placed upon them, in the recommendation, and when it comes to a question as to any other charges, any other representations, of which we have been given no notice, and which we are not prepared to answer, it is unfair, and as I say as a matter of law it is unfair for them to declare that we are conducting a fraud by reason of our doing seven certain things and if they fail in those seven things, bring in certain other new charges--charges which they allege are false and fraudulent which we have no notice of and ~~which~~ do not come down here to meet, and are consequently taken by surprise.

The Assistant Attorney General: I ask Mr. Southerland it would be useless for us to come down here to refute these charges, to state the connection between these seven charges, and charges, inasmuch as you elect to give us notice and we have to meet the original charges, in which you state that we are conducting a fraudulent business by reason of the fact that we defraud and while this evidence is merely incidental to their general scheme, we make no point of this proposition; this is merely incidental to their general scheme. Now if they object to this--

Mr. Southerland: They are conducting a scheme to defraud and while this evidence is merely incidental to their general scheme, we make no point of this proposition; this is merely incidental to their general scheme. Now if they object to this--

Mr. Vause: We cannot be charged with ~~an~~ other than the seven original charges, and that has been brought out in thousands of our files.

in these proceedings time and time again, and is the customary way to proceed--whether that will be followed here

What is another question. I am suggesting is to take these representations and to show that they are false, and that is all we are bound to meet. If ~~they~~ we make any other misrepresentations; any other statements which they rely on which are false and fraudulent, they should have notified us. If our business is not false and fraudulent in these

Mr. Southerland: We introduce it in this view, that here seven particulars, most certainly the Postmaster General would not be justified in issuing a fraud order. The law is that upon evidence satisfactory to him that a person is now conducting a scheme to defraud he may issue a fraud order. Now then it is for them to allege in what particulars our business is fraudulent; if they show this with sufficient accuracy and fullness, and certainly so that we may respond. But to make any other allegations, to come in here and make other allegations, after we have met those, and which we could have answered fully if we had notice--after you have once established a prima facie case, but you cannot it is unjust.

Mr. Southerland: Will you cite us to any law which requires us to give you any hearing at all.

Mr. Vause. There is absolutely no law which compels you to give us a hearing, but inasmuch as you have made certain charges, it would be useless for us to come down here to refute those new charges, inasmuch as you elect to give us notice and we come down here to meet the original charges, in which you state that we are

The Assistant Attorney General: I want to announce our position; that the ordinary rules of evidence should apply to all cases as well as any other case. Those rules are made for the protection of all parties, and I cannot see here, although springing from answering these representations, when you are making things on us that we have no knowledge of. These old representations made at a time when true, and to answer which we would have to delve and go through the ordinary form that is required in ordinary in thousands of our files.

Mr. Carlton: Why should you have any fears as to this particular matter? Are you afraid that this ~~company~~ bank will not give you the necessary reference?

The Assistant Attorney General: It is not a question at all with the man who wrote the letter; he had the right to write to the bank; why he had no evidence of the fraudulent condition of mind of these people.

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Mr. Carlton: Mr. Williamson, have you ever visited the office of the Cartilage Company.

Mr. Williamson: Yes, I have.

Mr. Carlton: Where is it located?

Mr. Williamson: It is located in the city of Rochester. 364 Main Street, east.

Mr. Carlton: Who did you find in the office of this company? Did you find Mr. Minges there?

Mr. Williamson: Yes.

Mr. Carlton: How is the office equipped to do business?

Mr. Williamson: I might state that according to a statement furnished to me by Mr. Minges this business was formerly conducted jointly by Mr. Clark, Mr. Adkin and himself, and that in 1908 they divided, so that Mr. Minges ~~and~~ took care of the business originating in the United States and Canada and Mr. Adkin and Mr. Clark of the rest of the world. Since about that time Mr. Minges has been conducting the business at the address I have just given. There is no sign on the door to indicate that the cartilage business is conducted there but he conducts there a trading stamp business and ~~he~~ sells ostrich plumes.

Mr. Vause: I object. Is that a conclusion.

Mr. Carlton: We are going on what Mr. Minges has stated.

Mr. Vause: Written statement in writing?

Mr. Carlton: Yes sir. He made this in writing.

The Assistant Attorney General: Did he make those in writing.

Mr. Carlton: They are portions of them.

The Assistant Attorney General: Let the witness make a statement for himself. Those statements of Mr. Minges that you referred to, were they made to you verbally or part verbally and part in writing.

Mr. Williamson: They were made to me verbally, but the examination was taken down by a stenographer and the interview was had in my office in the city of Rochester.

Mr. Vause: So that is the result of the stenographer's work.

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Mr. Williamson: Yes, there is a jurat attached to it.

Mr. Vause: And you have no knowledge or information of what has taken place except what is in that paper?

Mr. Williamson: I recall the substance; not word for word.

Mr. Vause: Now consequently the best evidence of what took place is the paper.

Mr. Carlton: Was the stenographer there when this conversation took place?

Mr. Williamson: S he was.

Mr. Carlton: Took it down in shorthand and wrote it down?

Mr. Williamson: Yes.

Mr. Carlton: This is the affidavit. Is that the stenographer (indicating name) that took it down, and it was sworn to before you as a post office inspector?

Mr. Williamson: Yes.

Mr. Vause: I understand that there is a conversation, or a statement made by Mr. Minges which is taken down in writing and Mr. Minges signs, it and if that be true that is the best evidence. Second; if there is testimony in any court and a stenographer takes that down there is only one person can state that conversation and that is the person who takes down that testimony.

The Assistant Attorney General: What is your authority for that?

Mr. Vause: Why it is a fundamental principle of law.

The Assistant Attorney General: Can anybody testify as to a statement made?

Mr. Vause: Most certainly. But a long conversation I maintain, — say that this was a correct copy of what was taken down by the stenographer word for word, — can he testify?

The Assistant Attorney General: You mean to say that he is not a competent witness to relate a conversation which took place in the presence—

Mr. Vause: If he don't use the paper, but he says that that paper contains the conversation and he cannot testify except what

Mr. Vause: When that was taken didn't you promise Mr. Minges a copy of it so that he could make any corrections that he would make? I

Mr. Williamson: I believe that I stated I would furnish a list of questions. (Corrected)

Mr. Vause: And not the answers? Did you ever furnish a copy?

Mr. Williamson; No, I didn't.

Mr. McInerney: We object upon the ground that if that promise was made either of questions or answers he has not had the opportunity to verify if those questions were ever asked. To hold a man to any questions or answers he must be given the opportunity of looking it over, reading it and signing it. But here is a case where that he has been promised a chance to look it over and see if it is correct, and that is not furnished. In view of which can we admit either the testimony or the paper. I am not going to ask for any tight rules of law but in all fairness how does it appeal, outside of the legal question, to your honor.

The Assistant Attorney General: Was that statement that you made to Mr. Minges a consideration for his answers to these questions?

Mr. Williamson: It was merely an oversight on my part. I never did promise him the answers, but I did promise him that he could have a list of the questions. It was through an oversight on my part. I did not intend to at the time. (Corrected)

Mr. McInerney: Why would you promise to Mr. Minges the questions and not the answers, when the answers would be the important part?

Mr. Williamson: I have no explanation other than to say that those answers were for my use.

Mr. McInerney: Would not the answers be the important things?

Mr. Williamson: Yes.

Mr. McInerney: Why would questions have been given Mr. Minges rather than answers?

Mr. Williamson: It was my personal reason. I wanted them for myself.

are somewhat argumentative at the same time they were pretty good
record in the shape of objection.

By Mr. McInerney:

Q. Do you say that any one card contained the statement that ten dollars was the price and if he could not--

A. I was only speaking in general terms.

Q. No document contains that of which you speak?

A. That is on the card. The date on which the money was received and the amount and the date on which the last proposition was sent this man and from which he made his order. And my point was this that you could not determine from that card alone the man's condition and you could not prescribe any special treatment for him; it was too incomplete for that.

A. The Assistant Attorney General: How many cards did you examine?

A. Mr. Williamson: We got those cards for this purpose. We wanted more witnesses for the Grand Jury and I took promiscuously from this lot, having only in view the nearness of the people--twenty-five names, and we called them up there *before the G.J., as many of them.*

By
Mr. McInerney: In addition to the cards were you not also shown the letters, testimonials?

A. Mr. I believe the subpoena duces tecum called for all testimonials and I suppose manuscripts other than the testimonials, ^{also} and what that suit case contained.

Q. When you were at the place did you see any letters?
A. No, except on his desk piled up in a mixed up manner. And

I remember seeing in the suit case one of the letters which he showed me there and he said he didn't have any other correspondence ^{other than} and what he brought down was in the suit case.

By The Assistant Attorney General:

Q. Was there any division for correspondence in that place?

A. There was no division; a typewriter, I think possibly more than one. These letters are not prepared on a typewriter; they are

form letters doubtless prepared in large quantities. Mr. Minges explained to me and used the word proposition and gave me samples ~~and he used names~~; they are all on the line of inducements.

By Mr. Carlton:

Q. I want to ask you if Mr. Minges made any statement to you about where this apparatus was manufactured?

A. Yes. It says in one of the letters something about taking an inventory in our factory and we find we have a sufficient number of pieces to make a certain number of machines. He did not say he had a factory; he said he purchased those pieces and assembled the pieces. That is to say the one part would be made at one place and another somewhere else and he assembled ~~there~~.

Q. That is put them together?

A. Yes.

Q. But you say he shipped them from Rochester?

A. They went as a rule, almost entirely, by express.

By Mr. McInerney:
Q. Now did you at any time receive any complaints from persons at different sections of the country with reference to the Cartilage Method?

A. Yes, a considerable number of complaints were referred to me through the office of the Chief Inspector and that made the basis of the investigation.

Q. Will you get out of your files those complaints which were made to you?

A. Now in my correspondence here I have not separated those complaints, but after ^{having} received the complaints I sent a very large number of letters in order to determine the nature of the correspondence and the result of the use of the appliance, and I have ~~here~~ in response to the letters sent out, 186 replies to my letters. Some received after my memorandum was prepared.

By The Assistant Attorney General:

Q. What memorandum?

A. On the exhibit I sent to your office September 16th.

September twenty-sixth. I came to Rochester in June of last year and a short time thereafter I entered upon the investigation of this case because I had received specific instructions from the Chief Inspector to do this and this is how I began. The Department furnished me with a lot of form letters and I used these form letters ~~and~~ ^{and} I sent out a large number. I kept no record of how many ~~I~~ ^{was} sent, and in response to that they would send me the literature sent by the Cartilage Company. There were two or three means by which an inspector could get those names. We made examination of the money order records because the coupon of every money order shows the name of the person who sent the order and by going through the money order record I can secure any number of names I desire ^{by name} and from these names and addresses I sent ^{can} each person a letter. I got many letters in response to these ^{and} some came to me independently they made complaints about the failure to obtain results.

By Mr. McInerney:

Q. You have got those letters here so that we can see them?
were not

A. We ~~were~~ not going to show them. They were all mixed up in large quantities.

Q. Can we get that in some documentary form? If he says he got complaints ought we not to know what they are?

A. Well Miss Wiegelman, there is an independent complaint to illustrate.

The Assistant Attorney General: As I understand it, there are a large number of cases made up from complaints of people, whom the inspectors have ascertained as doing business with this concern, and these are tabulated, showing the results out of seven hundred inquiries. (which was produced) As I understand you were making a motion and this will dispense with the necessity for it, so far as the matter of proving the allegation is concerned, it would be immaterial whether these complaints were made voluntarily in the first instance or whether upon investigation it was found that this condition obtained throughout the county; it was a question of the

of the fraudulent use of the mails and it does not make any difference whether the information upon which this Department proceeded came from actual complaints, and partly by actual complaints and partly by conditions found to prevail on investigation.

Mr. Vause: That is an element which we will submit which I assume you will take into consideration and that is as follows: An inspector when he starts to investigate a case sends out a letter, and there is a form letter used in this Department and has been used for a considerable length of time. Now then that letter you have knowledge of. In addition to that Mr. Williamson has sent out other letters of his own manufacture, of his own compilation, and in those letters he practically starts out by saying "Cartilage Company fraud, John Johnes, this company has been indicted."

Mr. Carlton: You have not one of the letters?

Mr. Vause: We have not it here because we did not suppose this evidence was coming in. And then complaints came in answer to those letters.

The Assistant Attorney General: I rather think it is improper to put that in the record in that shape because in each case you can examine Mr. Williamson.

Mr. Vause. You ask why we object, unless we have each of the cases how can we interrogate?

The Assistant Attorney General: Once you make that a fact, you assume--

Mr. Vause: I say we are in a position to prove that and I state the ground so it will be remembered that we have a good reason to show the method of procedure and how and when and where he got those various complaints, and that is in view of the fact that he has not those letters here.

Mr. Williamson: I have those letters here that we are submitting.

Mr. McInerney: He has stated that out of his 186 replies 171 of those either denounces it or say they didn't use it.

Mr. Williamson: I have those.

Mr. McInerney: Are not the letters the best evidence as to show who denounced it or who didn't use it?

Mr. Carlton: Put them in for what they are worth.

Mr. Williamson: Here they are and that is the tabulated result.

Mr. Carlton: Now the memorandum shows 700 letters of inquiry were sent to persons who had purchased the so-called stretching appliance and 186 replied, as shown by this exhibit 171 persons either denounce the appliance, refused to use it, or else used it without obtaining^{any} results whatever; fifteen persons claim they have been benefited by it and from the tabulation, showing the ages, it will be noticed that these persons were immature and at the growing period of life, so that favored growth if any was obtained and that it was natural and not due to any apparatus.

Mr. McInerney: As I understand, this tabulation of Mr. Williamson's is not to go in the record but the letters themselves to show whether they are a complainant or non-user. We object to the tabulation.

The Assistant Attorney General: That statement is not evidence.

Mr. Williamson: You would like to know the nature of the letter which I sent out?

Mr. McInerney: And when you sent it out.

Mr. Williamson: These are dated July 7 and they may^{not} have been sent out on that particular date for the work was done by a stenographer.

Mr. McInerney: In 1913 after the indictments were found?

Mr. Williamson: Yes.

The Assistant Attorney General: The same letter which was sent to the 700?

Mr. Williamson: About the same letter.

The Assistant Attorney General: I would like to ask you before you proceed whether all of those 700 replies were persons who had invested in this apparatus?

Mr. Williamson: Those are the names we secured from the money

order files, taken just as they came and I had no previous knowledge of what they would say or what they thought.

Mr. McInerney: None of those were from the card index--all from the money order files?

Mr. Williamson: They're might have been some but not a great many, so

Mr. McInerney: So that the 700 letters that you sent out; some of those were taken from the record files of the Cartilage Company and some from the money order records?

Mr. Williamson: To be absolutely correct I should say yes.

Mr. McInerney: With the same caption with the word "fraud" on For I did use some of the names but not a large number.

Mr. McInerney: Did you ascertain whether or not the names you got from the card index system had actually purchased machines?

Mr. Williamson: Yes, because the card index says that. I did the Postmaster General were you not instructed to put the word that in every instance.

Mr. McInerney: Have you a copy of the letter that you sent out,

Mr. Williamson: No, not to my attention, not that I recall. dated July 7, 1913?

Mr. Williamson: Yes. (Letter was then read, as follows:)

"Rochester, N.Y., The Cartilage Company fraud scheme.

"alleged fraud". They took exception and Mr. Johnston instructed Case 19879-E. POST OFFICE DEPARTMENT

Office of Inspector New York Division

Rochester New York, July 7, 1913.

O.B. Williamson, Inspector.

Q. / Mr. Williamson: I came in here two months ago?

A. That was not used, however, before the indictment.

Sir:

The officers of the Cartilage Company of Rochester, New York, have been indicted for using the United States Mails

to defraud the public. To aid the Government in the prosecution of this case, you are requested to send me all the literature that this concern has sent you. Send with it all the original envelopes, and place your initials on each piece so that you can identify it in the future. Also, answer each of the following questions very carefully and fully:

In what newspaper or magazine did you see the advertisement of the Cartilage Company?

About when did you receive the stretching apparatus?

How much did you pay for it?

How old were you when you began to use it?

How long did you use it?

Did you use it in accordance with the directions?

Did you increase your height by using the apparatus?

If so, how much?

Have you ever asked for your money back?
Did the concern return your money?

Use the inclosed official envelope without postage. If the envelope is too small to hold all the literature you have, wrap it up into a bundle and place the envelope on the outside of it. Do not send the apparatus or the instructions which go with it. Return this letter with your reply.

Trusting that you may be able to reply at an early date, and thanking you for whatever assistance you may be able to give, I am

Very respectfully,

(Signed) O. B. Williamson
Post Office Inspector."

The Assistant Attorney General: Now that was the same letter

Q. Have you tabulated them?
that went to all of the 700?

A. I did not have time to tabulate them, but I can state in Mr. McInerney: With the same caption with the word "fraud" on it?

Mr. Vause: Didn't the first letter that you sent out contain

the word "fraud" without the word "scheme" and subsequently through the Postmaster General were you not instructed to put the word scheme instead of "fraud"?

Mr. Williamson: No, not to my attention, not that I recall.

This is what occurred: These gentlemen took exception to my using the word "fraud" without the word "alleged". I should have stated "alleged fraud". They took exception and Mr. Johnston instructed me not to use that.

The Assistant Attorney General:

Q. / Mr. Johnston came in here two months ago?

A. That was not used, however, before the indictment?

Q. All these letters that you have here were gotten in before

Mr. Johnston came in?

A. No, he was; in July he took charge--the 1st of July.

Q. When did you sent out the letters?

A. July 7th.

By Mr. S outherland:

Q. May I inquire: Didn't the addressees of some of your letters, write to the Department before you addressed them?

A. Yes.

Mr. Williamson: I noticed in receiving these that I had sent letters to some of these persons before; persons whose names I had taken from the money order files.

Q. May I inquire if some of those 700 people you did not send the usual form letter?

A. Some I did. Now I might say that since this table was prepared I have received about sixty letters of the same character in reply to the original number sent.

Q. Have you tabulated those?

A. I did not have time to tabulate them, but I can state in a general way that there were no more than three satisfied with the appliance and the others are the same tenor as these.

By Mr. Vause:

Q. You have those letters?

A. Yes.

Q. The replies show they were in reply to those other letters, other than those "fraud" letters?

The Assistant Attorney General: The letters were all sent out by Mr. Williamson about the same time, but the people are replying to them at different times, replying to different form of the letter, and these sixty have found their way in after he closed his first summing up.

Mr. Williamson: After I had made my report to you.

Mr. Vause: And those sixty were also in reply to this letter of July 7th, the same form of letter?

Mr. Williamson: Yes sir.

By Mr. McInerney:

Q. On the first letter sent out, before this letter went out with the "fraud" caption on it; have you any replies to any of those earlier letters?

A. Yes. But in compiling this tabulation all I took was the man's reply. So in all this bunch of papers I have just the man's

reply.

reply. In many cases his reply is to my original letter, in which case the original letter is here. Now I have not separated the earlier inquiries from the latter ones.

By The Assistant Attorney General:

Q. Have you any means of separating them?

A. I have not the means to; I have not had time to separate them; I have put them in these bundles.

Q. Have you the means of separating them?

A. I do not have now because the letter has been taken away from the original correspondence; that original correspondence is a great bundle and I cannot bring it down here.

Mr. McInerney: Perhaps the asking of that question is so that we could ascertain what proportion of the letters were sent out by the original form letter and what proportion came along when they thought they were big fellows serving the United States Government and we had been indicted and proclaimed fraudulent; that is purpose of the inquiry.

The Assistant Attorney General: Can you supply that information?

Mr. Southerland: How does that affect the question of establishing this is a scheme to defraud?

These gentlemen

The Assistant Attorney General: I have a perfect right to know if whether this was of sufficient importance to direct the Postmaster General to discontinue this business to see what effect was produced by having that matter which the Postmaster General thought ~~not~~ ought not to go on.

Mr. Southerland: But you have already stated that he was instructed never again--

Mr. Vause: That is the point we are relying on.

Mr. Williamson: It is not the form of letter; it is the particular word after the qualifying adjective; this letter states the full facts; it states that they have been indicted and arrested.

The Assistant Attorney General: All of the letters state that.

Mr. Williamson: All of the 700 series and there is nothing

in there to object to except the word "fraud" without the word "alleged," what it should have been "alleged fraud" instead of as it was.

The Assistant Attorney General: If you can't furnish it, you can't, but it would have been better for these gentlemen to see the difference; in view of the fact that it was taken before the Postmaster General.

Mr. Vause: In other words we are going to attack it on the ground that the method of obtaining the evidence and the endorsements and the information was of such a character that it brought forth a condition that would not have been brought forth if the ordinary method had been proceeded in by the Department. That is the theory by which we attack and we say it is a method that is not proper and that is because of the phrasology in the caption is supposed to be uniform. I criticise it in every way as an unfair method of obtaining information.

Mr. Williamson: I can state this generally, that I had a very large number of complaints before July 7th.

Mr. Vause: Where are they?

Mr. Williamson: They are ~~among~~ mixed with these.

Mr. Southerland: And those complaints were the basis of some of these letters that you sent out?

Mr. Williamson: Not unless they were unintentionally duplicated.

The Assistant Attorney General: Didn't you treat the specific complaints?

Mr. Williamson: Yes; and what evidence I secured before the Grand Jury meeting was secured by another form of letter.

Mr. Southerland: Anything to show their identity?

Mr. Williamson: Their identity is not shown because I didn't attach any particular importance to that. A statement of facts is a statement of facts and I so regarded it and put them all together, and consulted the whole bundle of complaints. Some letters were

were in response to the old form letter, many others in response to this objectionable letter.

The Assistant Attorney General: We will proceed with this hearing on the theory that this was a correct memorandum.

Mr. Vause: As regards the numbers, to the extent that 700 were sent out and 186 replies were received of which fifteen testimonials were good and 171 bad.

By Mr. Southerland:

Q. In connection with the allegation that this machine was used by prominent educational institutions who have adopted it for the better physical development of their pupils; I desire to offer in evidence this communication, which I will get Mr. Williamson to identify

Mr. Vause: I should like to know what policy you are going to pursue, because heretofore we have been limited to that charge and it and read.

A. It will be necessary first to read this literature in which the testimonial is quoted. A letter dated February 6, 1922, addressed to Mr. John A. Boot, Lehigh, Oklahoma, contains the following:

(Letter then read, which contains testimonial of Edward R. Vaulander, Box 323 Spencerport, New York, attached hereto marked Exhibit "16")

Mr. Vause: Do I understand that they are attacking a testimonial given by Mr. Edward R. Lander. We object.

Mr. Southerland: We are attacking not only the ones in general but this in particular, and this is relevant under the statement that in all of our business that we are charged with or being fraudulent; it appears throughout their literature that this apparatus has been adopted by leading educational institutions, and we propose to show that this apparatus was discarded from this educational institution.

The Assistant Attorney General: Anything to show that they had notice of that--notice of the discarding of that apparatus in the institution?

Mr. Vause: But the following testimonials.

Mr. Southerland: Yes, sir. It was returned to Mr. Minges and they continued to send out the literature after the apparatus was discarded.

Mr. Vause: That is not the charge. The charge is that the following testimonials were obtained for pay. Not that we got them as

Mr. Vause: The point is, a very small proportion--five. It is stated "the following testimonials published by the said concern are false and misleading and were obtained for compensation:

Prof. Paul A. Bunz, Philadelphia, Pa.,
Oscar A. Denger, Scribner, Nebr.
N. T. Raymond, Washington, D. C.
Oscar Carlson, Penville, S. Dak.
Carter Howell, Richmond, Va."

The Assistant Attorney General: Read the introductory paragraph to those specifications. We can do one of two things. We can consider the citation to include no additional matter, or consider that this particular allegation in the first paragraph covers all such schemes and afford you all the time you want to meet the additional charges.

Mr. Vause: I should like to know what policy you are going to pursue, because heretofore we have been limited to that charge and it was up to this office to make it full and comprehensive.

The Assistant Attorney General: It is the same charge; it is additional incidents to show which can be relied upon to prove the charge of obtaining these testimonials in that way.

Mr. Vause: Can they prove if we did this to John Smith, that that is proof that these are false; No. In other words the testimonials are false and fraudulent, we are accused of using the mails, of sending out false representations regarding certain testimonials and the following testimonials are fraudulent. Now those are the only testimonials in all of our business that we are charged with as being fraudulent; it is a particular allegation; that these particular ones are fraudulent.

The Assistant Attorney General: The charge is that you are securing testimonials for pay.

Mr. Vause: But "The following testimonials."

The Assistant Attorney General: You are charged with securing testimonials for pay. Now incidents are given.

Mr. Vause: That is not the charge. The charge is that the following testimonials were obtained for pay. Not that we got them as

a general business, that is not the general conduct of our business; there is a specific, direct allegation there; that we have in five instances obtained certain testimonials that are designated, for pay, and the theory that you provide it in one instance, separate that allegation, would certainly not be competent and would not be evidence, and furthermore, it would not be fair to us.

Mr. McInerney: The whole purpose in specifying is to apprise us of the special incidents; if not, why put it in that form.

The Assistant Attorney General: Would not this be a false representation, now assuming that that point is well taken. Would it not be competent to admit these things to show that you are obtaining money under fraudulent representations.

Mr. Vause: Now, Judge, let us consider that recommendation. The recommendation I urge and submit to you, first of all, consists of a general paragraph which informs us of the charge made against us; of the crime, if you will, we are charged with, misusing the mails of the United States. Now we note the section which simply describes the charge in general terms, just the same as an indictment charges grand larceny... Now then you have to specify the particulars, in what way that scheme is false and fraudulent; that is a conclusion of law. In that first paragraph you just have a description of the crime; now in what particulars we are doing this you allege in separate paragraphs and that you are doing certain seven things.

The Assistant Attorney General: It is a general count.

Mr. Vause: The first cannot be considered a general count. Except in a crime of larceny.

The Assistant Attorney General: We are not confined to the rules governing an indictment.

Mr. Vause: I realize it.

The Assistant Attorney General: Now would you in a civil case of fraud.

Mr. Vause: We would be governed by the fraudulent allegations

made in the complaint, stating the fraudulent facts, the fraudulent statements which you allege we made, you could only prove this and nothing more and if you failed your allegation would fail. It is a fundamental principle. Now you allege that we are conducting a fraud, and give seven specific statements. It is always customary, not only to make it in that form but to prove it in that form and if the Department has any other facts or circumstances ~~that~~ if you can't support your fraud order under these seven you can't support it ^{under} in any other things, because these seven consist a fraud.

Mr. Southerland: I personally have been drawing those citations for this office for the last seven years and I want to say that that is the first citation in these cases that has been ever drawn in this manner. That is the first citation ever gone forth specifically ~~xxxxxx~~ setting forth seven charges. Mr. Vause in his last statement referred to being charged with a crime; he is being charged with conducting through the mails a scheme to defraud under Sections 3929 and 4041 of the Revised Statutes and not under the Penal Code. There is no punishment for having done what he is accused of. He also refers to this as an indictment.

Mr. Vause: I only refer to it in an analogy, in the sense of an indictment upon what we rely upon in a criminal action, a civil action. We are always notified of what we are alleged, the grounds on which we are alleged to be conducting a fraudulent business and that is what we answer, and you can see that it is highly improper for us to bring down here certain evidence and ready to answer these specific charges, these five testimonials, and then when we get down here for the Department to bring up four or six or eight other people, and while there is no special rule of evidence that has been enforced still one is that when we get the courtesy of a notice we ought to receive notice of what we are going to have to answer here, and if we come down to answer these specific charges and if we answer

must ~~go~~ back home and search out six or eight more; then we come back and then the Government comes back with sixteen more.

The Assistant Attorney General: It does not seem necessary to pass upon that point, for the reason that this matter that they propose to put in covers two propositions. One, is testimonials and the other is that the device is not used in these educational or other institutions, and it will be put in for what it is worth in that connection at the present time.

Mr. Vause: We ~~do not~~ say special institutions, specific institutions; we don't mention any particular college. If we had represented that it had been used by the Smithsonian Institute, and they alleged that it was not used by that Institute, then they could prove specifically, but the mere allegation that we say that it is used by certain institutions and colleges, what evidence, if one institution had it and through it out that does not support it, for that is not one of the things we refer to when we say it is being used in fact.

The Assistant Attorney General: It shows the experience of an institution with this particular machine and it will be used that way.

(Mr. Williamson then read, letter attached hereto, marked Exhibit "17", addressed to A. B. Wegener, Duluth Y.M.C.A., Duluth, Minnesota, dated March 15, 1913, written by Mr. Williamson.)

Mr. Southerland: In that connection, since the testimonial is referred to, I think it would be well to read the same.

dated Dec 10, '03.

(Mr. Williamson then read copy of testimonial of Edward R. Lander, hereinbefore referred to, as being quoted in letter addressed to John A. Boot, Lehigh, Okla., Copy attached hereto in Exhibit "17")

The Assistant Attorney General: Does that finish the Lander matter?

Mr. Williamson: Excepting that I just read literature in which this letter was quoted, dated February 6, 1912.

Mr. McInerney: Do you know whether or not he wrote him the second time from Spencerport--Mr. Lander?

Mr. Williamson: I do not.

The Assistant Attorney General: Is the thing quoted to this gentleman the same as the language used in the 1903 or 1904 letter?

Mr. Williamson: Manifestly the same communication.

By The Assistant Attorney General:

Do you have any of the 1903 or 1904 communications?

A. From whom.

Q. Containing this same testimonial which you say was sent in 1912?

A. Yes I have, a letter dated February, 1912.

Q. You were asked whether or not you had any literature

dated 1903 or 1904? Have we this Lander letter in any other form than this quotation of 1903 and 1904.

A. We never have had, excepting as I say, the original which

was in the suitcase in my office, dated December 10, '03, this copy is from the original testimonial letter which you gentlemen furnished

on Subpoena duces tecum.

My Mr. McInerney:

Q. You came to Rochester in June of 1912, how soon after you came there did you begin sending out letters in this case stating the 'Cartilage Company fraud' or substance of that kind, you went you say on March 15th, 1913.

A. Here is what you mean; you mean that I sent this letter March 15, 1913, to the man in Duluth.

Q. When you said "alleged fraud."

A. That is on the files which I have; this is a Departmental designation and your criticism of this later circular is that I didn't put in the word "alleged."

Q. The later letters were stamped? Were not they typewritten?

A. Run off the same letter, not stamped.

By the Assistant Attorney General:

Q. Now you say that this original Lander endorsement of 1903 is in that suitcase?

A. A. Yes.

Q. Have you ever seen this letter?

A. Yes, that is a copy of it.

Q. Just a copy of it?

A. The paper you have before you is a copy of the original testimonial which they have and I was reading from the copy; I did not have the original.

Q. You made this copy yourself from the original?

A. It was made at my direction by a stenographer.

Q. And you got that under this subpoena duces tecum?

A. Yes.

By Mr. Vause:

Q. Who was the stenographer? that made that copy?

A. That was either Mr. Engel or Mrs. Williamson. ~~She is~~
my wife ~~and~~ assists me in the office at times when I am busy.

By the Assistant Attorney General:

Q. In the letter from Mr. A. B. Wegener, Physical Director, Duluth, Minnesota, of March 19th, 1913, he says "I also saw a testimonial supposed to have been written by one of our members, claiming that he had increased his height three inches in two or three months." Have you any way of connecting this statement with this Lander letter? (Letter of A.B.Wegener attached marked Ex."17")

A. Nothing except that statement about the growth in two or three months; that is part of the testimonial, and the date --

Q. You didn't talk to that fellow?

A. The boy himself-I cannot find him.

Q. Did you talk with this physical director?

A. No, he is in Duluth and I have not been there.

Mr. Witherland: It is alleged that Prof. Paul A. Bunz, of Philadelphia, Pennsylvania, gave to these gentlemen a testimonial which they extensively advertised and which was referred to in a paper read this morning, as being one of the world's greatest author-

ities on physical culture. I will ask Mr. Williamson to state the substance of his investigation on that testimonial. Any (Mr. Williamson then read from a circular, headed) "The Whole Truth and Nothing But The Truth!" and he is into X x x "Sixty Years Old--Grew Nearly Two Inches." (and the letter of Paul A. Bunz and jurat attached.)

By

The Assistant Attorney General: received an offer for the

Q. Where did you get this paper from?

A. This is one of the circular letters sent out by the Car-tilage Company. They have been sending these out time and time again up to the time they were indicted. for consideration for ob-

Mr. Vause: No identification of course.

Mr. Southerland: Do you deny it? did he say anything about the

Mr. Vause: I say we sent it out about a certain time.

By

The Assistant Attorney General: it was for answering letters were

Q. Did you say these/mailed out? at the offer, it was made

A. A very large number of them; they came to me in this literature which I secured and it is also in this package of literature in the case. that did he say?

Mr. Southerland: We have quite a number of them in our records. Here is one taken from the correspondence sent to Miss A. Wiegelman, DuBois, Pennsylvania, (Correspondence sent to Miss Wiegelman, marked Exhibit "11") in which this was inclosed made by him.

By Mr. Southerland:

The Assistant Attorney General: Did he say that he wrote Now Mr. Williamson, will you state if you please what you

did looking towards the investigation of the value of that testimonial. Mr. Williamson: He said he wrote it.

Mr. Southerland: Now Mr. Williamson we will take up the A. I looked up Mr. Bunz who still lives at Philadelphia, and he said he gave that testimonial many years ago; he didn't recall the date. He said further that he had destroyed all the literature and letters which he had received from that company and that he did recalled that some offer was made to him regarding payment for answering letters; but he said that he had received less than five dollars

in payment for answering the letters. I talked to his family also and they could not affirm that the old man had grown any by means of this appliance. He is old eccentric Dutchman, an old fellow who used to perform with a circus many years ago; and he is interested in gymnastics. He is a very peculiar fellow; I could not get any statement from him.

Q. He did state to you that he received an offer for the testimonial?

The Assistant Attorney General: The statement was that he was offered and received compensation for answering letters.

Mr. Vause: Answering letters and for consideration for obtaining the testimonial.

The Assistant Attorney General: Did he say anything about the testimonial, about getting money for the testimonial?

Mr. McInerney: Didn't he say that it was for answering letters?

Mr. Williamson: I am talking about the offer; it was made before. Until he gave the testimonial he could not answer any letters.

The Assistant Attorney General: The question is not what the man might have done. What did he say?

Mr. Williamson: He said he gave the testimonial: He said he recalled some sort of an offer he was made to pay him so much for answering letters which might come as a result of the statement made by him.

The Assistant Attorney General: Did he say that he wrote the testimonial or signed the signature.

Mr. Williamson: He said he wrote it.

Mr. Sutherland: Now Mr. Williamson we will take up the testimonial of Oscar A. Degger, Scribner, Nebr. and read the correspondence in that case.

Mr. Williamson: On the same sheet that bears the testimonial of Paul A. Bunz, appears a testimonial from Oscar A. Degger, which reads as follows: (Letter was quoted, date Feb. 13th, 1903, by Oscar A. Degner, appearing on same sheet as last Ex "11")

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2. That said PROCEEDINGS, action in hypnotism and magnetic healing will teach anyone to hypnotize any person (Citation read, which is as follows:) lightning; and will "Post Office Department, Office of the Assistant Attorney General, Washington, July 31, 1913. know he has been hypnotized In the matter of charges that the New York Institute of Science at Rochester, New York, is engaged in conducting a graph scheme for obtaining money through the mails by means of false and fraudulent pretenses, recommendations and promises, the subject at Recommendation for issuance of citation to show cause why a fraud order should not be issued. instructions in regard to It is charged that under the name of the New York Institute of Science, at Rochester, New York, Charles S. Clark, Thomas F. Adkin, Edwin J. McNamara and Katharine A. McCormick are engaged in conducting a scheme to obtain money through the mails by means of false and fraudulent pretenses, representations and promises, and in pursuance of said scheme are depositing letters, circulars and printed matter in the post office at Rochester, New York, and are receiving through said post office mail matter and money orders. benefit of their Said scheme is in substance as follows, to wit: and that the Said parties by advertisements in newspapers and other periodicals and by booklets, circulars, letters and various other printed and written matter being by them sent through the mails are soliciting the public generally to purchase of them by mail for the sum of \$5.00 a course of instruction in hypnotism and magnetic healing, of and concerning which said parties represent and pretend as follows, to wit: best experts

1. That said New York Institute of Science is a school or institution designed to teach hypnotism and magnetic healing, and has a regular constituted faculty, and that E. LaMotte Sage is the President of said institution. to a certificate

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which passes current as a positive guarantee of his ability

2. That said course of instruction in hypnotism and magnetic healing will teach anyone to hypnotize any person instantaneously, as quick as a flash of lightning; and will teach anyone to hypnotize a person in his natural state so he will wake the next morning and never know he has been hypnotized; and will teach anyone how to relieve pain under all circumstances; and will teach anyone how to hypnotize by telegraph or by mail; and will explain the latest process of hypnotizing at a distance of one thousand miles and of awakening the subject at the same distance; how to hypnotize by telephone; how to fascinate animals; and will give instructions in regard to treating diseases that will enable the student to earn \$10.00 to \$25.00 a day as long as he lives.

3. That many of the students of said institute are making from \$10.00 to \$25.00 per day from their knowledge of suggestive therapeutics and magnetic healing and are curing hundreds of people who have been given up as incurable.

4. That the students of said institute will have the combined knowledge and experience of the best authorities of the time, and in addition will have the benefit of their personal instruction through direct correspondence, and that the opinion of the aforementioned X. LaMotte Sage or any of the corps of professors on any question or difficulty is available at all times to every student.

5. That said course has the full indorsement of the scientific men of the world and was compiled at a large cost under the direction of a committee of eminent scientists.

6. That said course was prepared by the ablest experts living and is a compilation covering the practice of men experienced in occult science and of an institute which has a recognized standing in the scientific world; and that completion of said course entitles the student to a certificate

which passes current as a positive guarantee of his ability as a hypnotist.

7. That certain indorsements and testimonials which it issues, hereinafter more particularly described, are genuine and bona fide.

WHEREAS, all and every the foregoing pretenses and representations are false and fraudulent, and are well known by the aforementioned parties to be false and fraudulent and in truth and in fact, Waltham, Mass.

1: Said New York Institute of Science is not a school or institution and has not a regularly constituted faculty, and X. LaMotte Sage is not the President nor is he connected with said concern.

2: Said course of instructions will not make anyone a trained hypnotist and will not teach anyone to do the things claimed.

3: No students of said institute are making from \$10.00 to \$25.00 per day from their knowledge of suggestive therapeutics and magnetic healing, nor are such students curing hundreds of people who have been given up as incurable.

4: Students of said institute will not have the benefit of the combined knowledge and experience of the best authorities of the time, and will not have the benefit of the personal instructions of such authorities through direct correspondence, and will not have the benefit of the opinion of X. LaMotte Sage or any other professor or professors.

5: Said course has not the indorsement of scientific men and was not compiled under the direction of a committee of eminent scientists.

6: Said course was not prepared by the ablest experts living and does not cover the practice of men experienced in occult science, and said institute has not a recognized standing

in the scientific world and such certificate as may be given does not pass current as a positive guarantee of the ability of the holder as a hypnotist. Revised Statutes as amended,

7: The testimonials and indorsements which are not that genuine and bona fide or which were obtained for compensation are as follows: mail and the payment of money orders addressed to, W. E. and W. L. Link, Willington, S. C. company found to be a scheme or device of R. F. Eichler, Waltham, Mass.

Ferdinand Heintz, Erie, Pa. reply to the charges set forth Ohio State University, August 14, 1913, at 10:30 o'clock a.m. Fall River Medical Society, when the case will be considered Your Rennsselaer Polytechnic Institute, be forwarded by mail, or Worcester Telegram, Worcester, Mass. attorney at that time and Boston Journal, Boston, Mass. ment. Should you fail to make J. C. Graham, postmaster, Rochester, N.Y. considered and dispo The article relating to J. C. Montgomery, Montgomery, W. Va.

It is therefore recommended that the aforesaid parties be required to show cause, if any they have, why a fraud order should not be issued against the New York Institute of Science, at Rochester, New York. is dated August 1, 1913, stating that (Signed) D. L. Carlton, Assistant Attorney, to the that Assistant Attorney General for the Post Office Department." about Mr. Southerland: There is a letter to the Postmaster, Rochester, New York, dated July 31, 1913, asking him to deliver letter addressed to that company which inclosed the memorandum.

The following is a letter to the New York Institute of Science, dated July 31, 1913:

"Gentlemen:- Inclosed herewith is a memorandum outlining certain charges, which, by direction of the Postmaster General, are under examination in this office, to the effect that you are engaged in conducting a scheme or device for obtaining

money or property through the mails by means of false or fraudulent pretenses, representations, or promises, in violation of Secs. 3929 and 4041 of the Revised Statutes as amended, a copy of which is also sent herein. It will be observed that these statutes authorize the Postmaster General to prohibit the delivery of mail and the payment of money orders addressed to, or drawn to the order of, any person or company found to be using the mails in the operation of a scheme or device of this character.

It is desired that you make reply to the charges set forth in this memorandum, and August 14, 1913, at 10:30 o'clock a.m. is designated as the time when the case will be considered. Your reply must be in writing. It may be forwarded by mail, or you may present it in person or by attorney at that time and supplement the same by oral argument. Should you fail to make answer by the time named, the case will be considered and disposed of in your absence.

Respectfully (Being copy, no signature) Assistant Attorney General."

There was a reply from the postmaster at Rochester, New York, received, and same is dated August 1, 1913, stating that the above mentioned papers had been delivered and that the firm was at the present time receiving on an average of about fifty letters daily.

There was also a supplemental citation dated September 22, 1913, giving notice that the respondents would be required to produce at the hearing the original medal of honor and original diploma, alleged to have been awarded to the New York Institute of Science by the Exposition Internationale as the Grand Prix, same being held at Palace de'Orleans, Paris, France in 1909. The receipt of this was acknowledged by Mr. Vause.

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Mr. Vause: I desire to make a motion for an adjournment of this hearing, and if permissible, for the purposes of facilitating the record and shortening the time, I will be willing that the motion I made in the Okola case be incorporated in the record here, namely, that the same grounds on which I asked for an adjournment of the Okola hearing be the grounds on which I make my application for the adjournment of this hearing. Of course, if it is desirable, I will repeat those grounds. Will there be any objection?

The Assistant Attorney General: No.

Mr. Vause: There is only one additional ground that I desire to call attention to and that is that in each of these cases, if you will notice, there is always a condition so far as the Department is concerned which we consider prejudicial to the defense, and the parties cited here, and seriously affecting their rights by proceeding with this fraud order. One of the grounds on which we make an application for an adjournment of this case, is the ground that we are seeking further evidence from our customers in the preparation of our defense in the criminal case, and we call attention to the fact that if those letters are interfered with it will be impossible for us to get that evidence. We also point out the fact that many of those letters, if not delivered, will practically all go to the Dead Letter Office, which means we have the Government in every instance interfering with the property of our defendant, and in the case of a fraud order it would be very evident that more complaints against the Institute of Science would come in.

The Assistant Attorney General: Has it been alleged that there is any interference with the delivery of your letters to any of these people?

Mr. Vause: The ground, if you will remember, was that if

fraud order was issued against these concerns, it means that the replies which they will receive from their customers will be marked "Fraudulent" and returned to the writer, and the result is the counsel for the company will not be able to get evidence and will be damaged in their criminal trial, because we have been communicating with them getting evidence from them, and that is the only way we can reach them.

The Assistant Attorney General: You could not communicate with them in the name of the company, but an individual could write them.

Mr/ Vause: You will remember one of the reasons I urged in the Cartilage case, was that because of experience we know that no third party could communicate with these customers and get in close touch with them except it was done in the name of the company. In other words, they are ~~an~~ not apt to be as frank and open and above board and we cannot get their cooperation if an attorney would communicate with them, because the mere fact that he mentioned something about the court would be the means of scaring them off. We mention the fact that those letters would eventually get to the Dead Letter Office and there be opened and the Government would again be getting our evidence which we are to use in the criminal case, just the same as the papers in the criminal cases which were on Subpoena duces tecum obtained and impounded by the court in the Okola Case are being used down here, and we have evidence evidence of that fact, and we say that the Dead Letter Office will be used in helping to prosecute us in the criminal case, if a fraud order was issued.

The Assistant Attorney General: You mean to say that the letters which come to the Dead Letter Office--

Mr. Vause: (interrupting) Are opened.

The Assistant Attorney General: You mean to say that they would be used against you?

Mr. Vause: I mean to say that eventually the information gathered from those letters will be used against us in the criminal case.

The Assistant Attorney General: I can allay any question or doubt on that in your mind by the statement that no one ever sees those letters which are opened in the Dead Letter Office except the person who opens them.

Mr. Vause: That presumably is the law.

The Assistant Attorney General: And it is the practice to rigidly enforce it in that office, as I am informed by officers of the Dead Letter Office that no one else connected with the postal service has access to those letters.

Mr. Vause: That is the law and that should be the custom. The law is that a letter written to a person where there is a return address on the outside, if not delivered should be returned to the address on the outside of the letter.

The Assistant Attorney General: It is.

Mr. Vause: We have evidence in all these cases that letters which we are sending out and which have our return address on them--not only one but dozens--which could not be delivered and in direct defiance of the fact that our address is on the letter, that letter has gone to the Dead Letter Office, and has been opened and has been returned to the name at the foot of the letter rather than to the person who sent it out. There is a strict violation of the law.

The Assistant Attorney General: (Then examined said letter handed to him by Mr. Vause.)

Mr. Southerland: I would like to inquire how many out of the thousands of letters that have been mailed were returned to you this way?

Mr. Vause: We could not say; we have not kept track of them.

Mr. Southerland: Have you all of them here?

Mr. Vause: We only have samples.

Mr. Southerland: Will you give us an idea of the percentage of letters that have been returned to you this way, and returned to you unopened?

Mr. Vause: We do not know the percentage. If there was one letter--and we say there was more than one, which is a fact--we say that there is an instance where there is a violation of the law, --if there is only one case. If it was a case where the return address could not be made out or it was not clear, or was blurred, or anything of that kind there might be some explanation, but you notice the name is very clear.

Mr. Kimball: This letter is addressed to a man on a certain steamship in care of the postmaster at New York. The postmaster at New York evidently forwarded that to Boston for the reason that the steamer sails from Boston, and at that point, the Charlestown Station of the Boston post office, over which we have no control unless we hear of it and if we do we investigate it and the error would be checked against the postmaster. That letter should have been returned to the sender; that is not the fault of this office or the inspectors.

Mr. Vause: It is the fault of the Post Office Department

Mr. Kimball: It is the fault of a post office employee in Boston.

The Assistant Attorney General: Looks to me as if there were two errors in this case; an error on the part of the Boston office in sending it to the Dead Letter Office and an error in the Dead Letter Office is not returning it.

Mr. Williamson: There is no evidence of its ever being in the Dead Letter Office.

Mr. Vause: Yes, that letter came in that envelope and it

says "Dead Letter Office, Washington, D.C." and whether any
 Mr. Williamson: That is not a proper notation on the
 envelope.

Mr. Vause: You mean to say the Boston people did not know
 that they were about when they put that notation on that way?

Mr. Williamson: They did not forward it in an official
 envelope that is not according to practice.

Mr. Kimball: That indorsement was never put on in the
 Boston Post office.

Mr. Vause: We do not know who put it on. I call attention
 to another case. I thought it possible when this was handed
 to me that the postmaster may have become confused with the ad-
 dress, reading in care of the steamship company at New York,
 and I thought he may have gotten it mixed up, so the result is
 we have another one where that could not have entered into it.

Mr. Southerland: We can get a statement from the Chief
 clerk of the Dead Letter Office.

Mr. Vause: So believing that the postmaster may have some
 explanation of this one on account of the way it is addressed,
 we have a plain one here, addressed to Brooklyn, New York/

Mr. Southerland: You say that you have more than those?

Mr. Vause: Yes/

Mr. Southerland: How many more? A large number or small?

Mr. Vause: Not very many. In each one of these cases
 from time to time we get letters back.

The Assistant Attorney General: For the purpose of reliev-
 ing the record of any misapprehension as to what is being done
 to this class of literature, I will state to Mr. Vause that
 in each case that he submits, I will have an explanation made.
 I will get a statement from the postmaster showing what, if any,
 reason he had for treating this matter in this way and I will
 also get a complete report of what happened in connection with

with the treatment of each particular letter and whether any one had access to that matter outside of the person who opened and returned this letter. Errors in a great big office where millions of pieces of mail are handled everyday, of course occur, through ignorance, through new clerks and all that sort of thing, and this has every appearance of being an error. It is easy to ascertain if there is any relation between the postmaster and the post office inspectors and anybody who has had anything to do with the mistreatment of these two pieces of mail matter to which you have reference.

Mr. Kimball: The only point there is that the clerks in the Dead Letter Office ^{are} handling this matter with a great deal of rapidity, and they are compelled to return so many a day in order to preserve their records, and finding Clark's name as the manager naturally addressed it to him as the manager of that company. The fact remains however that the letter got back and I do not see any materiality whether it is addressed to the Institute or to Clark.

The Assistant Attorney General: You do not seem to understand that a reflection has been made here upon the postal service in connection with the handling of matter which has been manifestly mistreated.

Mr. Kimball: As already stated there are two errors of mistreatment which ought to be investigated as a separate matter.

The Assistant Attorney General: The suggestion, if not the insinuation has been made here that there is some one standing between the post office inspectors and some postmaster who has been directly responsible for the apparent mistreatment of mail, and that is something I want some information on.

Mr. Vause: We state facts. We do not want to have you understand us as making any deduction. We claim it is hard thing for the great Government prosecuting us in two different

The Assistant Attorney General: Yet every feature that you have given was not only put in evidence but read in evidence, every part that you called attention to was all read in the literature.

but
Mr. Vause: It is in the literature was not actually read.

The Assistant Attorney General: With reference to the statement about throwing away your glasses it was actually read; I recognize having heard it.

Mr. Vause: That is only one instance. In that case they read the whole booklet, but there are other instances of like character which was in the literature that was not read, only the one part of the literature was read and the other parts put in evidence and I have marked other parts bearing upon these transactions.

If it is your purpose and if you will cover it by a ruling or understanding that if they read a part of the booklet say pages, 1, ten and so forth, that I will be given a chance to read the parts left out which apply to the matter quoted by them why all right.

Mr. Southerland: Would not it be just as good to put in your part in evidence?

Mr. Vause: No. I can plainly understand the theory of the Government from the several cases we have already had. Why not have all of that literature go in and all of our answer go in without reading any of it and let both of us in our briefs point out the material which it is necessary for us to call attention to, that is I call attention to such parts as I want to and you call attention to such parts as you wish to emphasis, and not take four days in reading.

I will state to you to be frank with you that up to 1902 there was one crowd or one party of stockholders were interested

and had the management of the New York Institute of Science. That continued for a short period and afterwards a change took place and Mr. Clark bought out the interests of Neale or X. Le Motte Sage. For a period afterward the management was the same and then Mr. Clark took up the management. That continued to 1913 or in the latter part of 1912 when the New York Institute of Science was merged in the New York Institute of Science we now have; the corporation we now have.

Mr. Southerland: When was that done?

Mr. Vause: 1912. December, 1912.

Mr. Vause: 1899.

Now having these periods there is going to be a question of pointing out to you the various periods in all this literature which was used, and point out which was used before and

Mr. Vause: Under New York.

what is used now, as we do not use a single piece that was used before, and we shall bring this out so as to confront you with the business as being conducted today. Reading all

Mr. Vause: The Virginia corporation under the same name. This literature in piece meal, we are up against this proposition. This business started over twelve years ago, as it was

over twelve years under the ~~new~~ regime, ~~we~~ have no connection with the new corporation, nor is it the corporation you have

Mr. Vause: That company for all purposes was put out of business and this is really the same corporation. The old cases investigated by inspectors, in which cases they

The Assistant Attorney General: The New York Company found nothing and when Mr. Williamsons gets this case he takes all that old literature from twelve to fourteen years old and

it is all brought down and put before you. In some cases there

Mr. Vause: By the Virginia company and other stockholders. will be dates on the literature and in other cases no dates. New stockholders came in when the Virginia corporation came into

Mr. Carlton: The literature which will be introduced here will be literature which Inspector Williamson has received through the mails.

Mr. Vause: If he says that the only literature that he

Mr. Vause: Exactly. is going to put in evidence is literature not in the file jackets and only literature which he received personally through whom--the Virginia Corporation or the New York corporation?

the mails from people why then why not put that in evidence and stop right there, and let us file only briefs.

I do not think Mr. Williamson means that but I take it from my knowledge of what they do do and what they have done in the past, I mean other inspectors, I think a lot of literature will go in here that is not now going through the mails, literature from communications in the jacketed files which were there before he came to investigate the case.

The Assistant Attorney General: At what time was this company organized as a corporation?

Mr. Vause: 1899.

The Assistant Attorney General: Was it a corporation organized under the laws of New York?

Mr. Vause: Under New York.

The Assistant Attorney General: Then in 1912 this company merged into a Virginia Corporation?

Mr. Vause: The Virginia corporation under the same name, the New York Institute of Science.

The Assistant Attorney General: What became of the New York Company?

Mr. Vause: That company for all purposes was put out of business and this is really the same corporation.

The Assistant Attorney General: The New York Company really exists and all the stock is owned by the Virginia company?

Mr. Vause: By the Virginia company and other stockholders. New stockholders came in when the Virginia corporation came into existence.

The Assistant Attorney General: But the Virginia company succeeded to all the rights of the New York corporation.

Mr. Vause: Exactly.

The Assistant Attorney General: This citation is against whom--the Virginia Corporation or the New York corporation?

Mr. Southerland: Against the same business, the business of the New York Institute of Science of Rochester, New York.

Mr. Vause: To the Virginia corporation, it goes to the officers of the Virginia corporation and not to the New York corporation. The capital stock was increased from fifty to five hundred thousand dollars.

The Assistant Attorney General: The name, the New York Institute of Science, has continued to be the same under the business of this concern has been operated from the organization of the corporation in 1899 down to the present time?

Mr. Vause: Yes, sir. It is a question of entirety that we discuss. I am very anxious to shorten the proceedings.

The Assistant Attorney General: Has it been conducted at the same place during this whole period?

Mr. Vause: At various places, different places.

The Assistant Attorney General: Has it been conducted in Rochester, New York?

Mr. Vause: Yes, as far as the state is concerned; I thought you meant the name or street number. It has always been conducted in Rochester, New York.

The Assistant Attorney General: Do you understand that these proceedings are for instituting for the purpose of issuing a fraud order if the facts warrant against the New York Institute of Science in order to stop the delivery of mail so addressed to you?

Mr. Vause: I do, on the theory that the company to whom this citation has been served and issued is conducting a business which is fraudulent.

The Assistant Attorney General: My question stated specifically if the evidence warranted.

Mr. Vause: Most emphatically. If the New York Institute of Science on whom this is served is conducting the business

which it is alleged. In order to see if we understand each other, I will state, I do not suppose that if you directed a citation to John Smith of New York and you served it on John Smith of New York and John Smith was not conducting the business he is alleged and as stated in your citation, you would not issue a fraud order against him.

The Assistant Attorney General: Certainly not. I do not see how we can determine in advance just what will be admitted in evidence. It looks to me like the questions will arise as we proceed and I do not see how we can rule in advance on the various propositions which will be met in the case as we proceed. I am very anxious to shorten the proceedings and I want to see both sides fully presented. But it would seem that the Government would have to make out its case here and in order to lay some sort of foundation as to their testimony and enable you to have a comprehensive idea of what you have to meet, it would seem to be really more important to the persons cited here that the Government's case should be made out fully in the first instance so that they would have every opportunity to know from the beginning what they would have to submit.

I do not see how we can limit the presentation on the Government's part. I do not propose to limit you excepting as you are willing to do so in your rebuttal.

Mr. Vause: My reason for making the suggestion was to explain that in view of the amount of literature here and in view of the way in which I think it will be presented, I do not want it to be understood that the time I mentioned will be the time it will take me to put in my defense because it will take much longer for me to do it.

Assuring you that we have no intention to continue

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the same charges were investigated or that anything in connection with them would throw any light on these proceedings, and therefore you have not shown the materiality of the papers. Even if it were possible for the Department to permit of the reading of those inspectors reports, an inspector's report is certainly not the highest class of evidence; it is based upon the case that came to the attention of the inspector and it is a well settled principle of law that the reports of officers made after an occurrence do not have the effect of official reports which may be a part of the investigation. I cannot see that any aspect of the case would these reports be admissible in evidence here through anything that has developed.

Mr. Vause: The point that I urge is that these complaints date back in 1904 and 1905, eight and nine years ago and are so remote that they are not evidence and do not bear out the charges made today and are not material to the question as to the present business conducted by this company.

The Assistant Attorney General: If they are so remote as having no connection, I do not see why you want to drag them in this case

Mr. Vause: I say that these complaints you are offering-- those letters, of eight or nine years ago.

The Assistant Attorney General: I think you referred to the reports.

Mr. Vause: The complaints.

The Assistant Attorney General: There is nothing to show that those complaints at that time were identical with the complaints made now and have any bearing on the question.

Mr. Vause: And therefore they are not material.

The Assistant Attorney General: We can tell from the papers themselves when put in evidence whether they will have any bearing on the case.

and assuring you that we have no intention to continue

company was organized?

A. Yes, I think it would show that. I do not have that record here, however.

Mr. Vause: You need not tell us what you think.

Mr. Southerland: Mr. Vause you have the incorporation evidence.

Mr. Vause: The controversy is that Mr. Williamson is making a statement here and does not bring a certified copy of the record with him. It does not show who the officers of the company were at that time. It does not show who was the president and the vice president and general manager, and it is a fact that he made that statement.

By The Assistant Attorney General: As I understand you (Mr. Williamson) examined the records and you found/that this company was incorporated on.

A. I found out the amount of capitalization and the par value of each share also.

Q. That is all you got from the record?

A. Yes. I stated farther that at the present time, Dr. X. LaMotte Sage, whose true name is E. Virgil Neal, is represented as being the President of the corporation and Charles S. Clark is represented as being the Vice President and General Manager of it.

Q. That is in the literature?

A. Yes. I also stated that the courses of instruction have been printed in eleven modern languages, so Mr. Clark stated to me.

By Mr. Vause: Is this a statement reduced by you in writing?

A. I am making a verbal statement.

Q. At the time that Mr. Clark ~~was~~ stated this was a stenographer there and did he take down the conversation he (Clark) had with you?

and assuring you that we have no intention to continue

A. I have his statement.

Q. Then I think it ought to go in.

A. I can produce it.

Q. You are going to put it in writing?

A. Sure if you desire it.

I have his statement with regard to the particulars which I am about to explain; if they are material I will submit his written statement; if you want it I shall get it for you.

Mr. Vause: I ask for the statement itself which is the best evidence.

The Assistant Attorney General: As I understand it, this method was adopted because Mr. Williamson had condensed ~~the~~ the whole thing to a general statement to give us an idea of the case, and of course, if Mr Clark has a statement here and it is produced it will be received; as it is evidence as to what transpired. We are simply getting a line on the case by the general statement of Mr. Williamson.

The Witness: If you will permit me to go on, I will show you what I have on this subject.

Mr. Clark also stated that the enrollment aggregated more than 449,000 of all nationalities and stated that the enrollment yielded revenue aggregating \$1,800,000.

The Assistant Attorney General: Had yielded, or yielded annually, or what?

The Witness: In all.

The New York Institute of Science is not an institute or a school in the common acceptation of these terms. It is located at present, and has been for years, at 205 Saint Paul Street, Rochester, New York. I have visited the place where the business is conducted three or four times, and at one time when the Grand Jury was in session at Rochester, in May, 1913, Mr. Clark conducted me through the building. This building is possibly fifty feet wide and about one hundred and twenty-

mail and assuring you that we have no intention to continue

five feet in length and is five stories in height with a basement. On the two sides of it is printed "Adkin, Clark & Goddard, Company, Printers and Publishers;" the same lettering appears upon the front door and in addition the name "Lyvola Olive Company." The basement of the building is occupied by the printing plant of the New York State Publishing Company. On the first floor, to the right, is the office of Mr. Clark and to the left, the office of Mr. Adkin. Much of the floor space on this first floor is taken up by what I took to be paper used in the printing plant. On the second floor is a correspondence school conducted by a Mr. Van Deusen. This school probably takes up one-fourth or one-third of the space on this floor; the remaining part of it is used for storing paper and the like.

The Assistant Attorney General: What correspondence school?

The Witness: It is not connected with the company in any way.

On the third floor was found the card index files of the Cartilage Company business, the Okola Laboratory business and the business of the New York Institute of Science. A large number of young girls, fifty or more, were employed there.

The Assistant Attorney General: Vice President and General Manager of what?

The Witness: Of the New York Institute of Science. These are carbon copies to which are attached original by piece-work in the addressing and sending out of circular letters of inquiry and were secured with the letters, from the letter mail and form letters. The fourth and fifth floors are used mainly, if not entirely, for storage purposes. The

New York Institute of Science has no business in Rochester at any other number.

The Assistant Attorney General: Was there anything else with those letters at the time you got them?

The Witness: Nothing else.

The Assistant Attorney General: Did Mr. Clark tell you

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that was the place of business of the New York Institute of Science when he took you there?

The Witness: I do not recall that he made that exact statement, but it is a matter of common knowledge at the post office that that is the place of business. As a matter of fact, I should say that the post office records would be quite conclusively on that point, in that they handle the mail of the concern.

The Witness: I think twenty-four.
The concern is not known as a school of institution of any character or description by the President of the Rochester University, the largest institution in the city; by the President of the Mechanics Institute, a school of the highest standing; by the Superintendent of Public Instruction, or by either of the principals of the two high school of Rochester; and it is not so known by any one of the many citizens of Rochester with whom I have discussed the matter. The letters from these educators will be hereinafter referred to and will be submitted under Exhibit 6.

I submit instructions given by the Vice President and General Manager in fourteen letters, carbon copies of which are herewith offered in evidence under Exhibit No/ 1.

The Assistant Attorney General: Vice President and General Manager of what?

The Witness: Of the New York Institute of Science.

These are carbon copies to which are attached original letters of inquiry and were secured with the letters, from the files of the New York Institute of Science on subpoena duces tecum.

The Assistant Attorney General: Was there anything else with those letters at the time you got them?

The Witness: Nothing else.

Mr. Vause: I do not understand the Judge's question. On the subpoena duces tecum there were more than those letters produced?

The Witness: But there was nothing else in the files that related to these transactions.

Mr. Vause: There were thirty-four boxes of mail delivered to you?

The Witness: I think twenty-four.

Mr. Vause: Twenty-four boxes of mail delivered to you. Do you know how much each of those boxes of mail contained--did you count it?

The Witness: I did not.

By The Assistant Attorney General:

Q. We went over all that in the other case. It is conceded that there was a large number of boxes of mail in this case, just like in the Okola case.

A. Yes., sir. I have an examination record.

Q. And those letters are filed by months so if there had been any correspondence with relation to this matter in the previous months it might not have been in this box, or any correspondence of the subsequent months; it would have been in the box where you found this particular carbon--is that correct?

A. I do not have files sufficiently complete to be able to state that I had all the correspondence with these particular persons.

Q. My question was, whether this letter and the carbon copy from the company was the only thing relating to that matter found in that particular place in the files when you took those two papers from the files?

A. My answer was that was all.

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Mr. Vause: But you did not look into the other boxes to see if there was any other letters to or from any of those persons?

The Witness: I did not.

I submit also Exhibit 1a, which is a list of examination questions, the correct answers to which entitle a student to secure a credential of efficiency. This list of questions was furnished by Mrs. Elmer E. Hart, of Hartford, Connecticut, who stated she received it through the mails and that by answering these questions she received a credential.

I explained that I secured ~~this~~ list of questions from Mrs. Elmer E. Hart. Of course I did not have her answers to these questions but in the files belonging to the New York Institute of Science I discovered the answers to the questions in sent by Mr. Frederic Tige, Vancouver, Canada, so that by combining the questions received in one place with the answers received in another I have an examination record.

Mr. Vause: Do you know that the same questions were answered by Mr. Tige which were answered by Mrs. Hart?

Mr. Southerland: I think that is obvious from the answers.

The Assistant Attorney General: Is the question list a printed form?

Mr. Southerland: It is a form.

The Assistant Attorney General: Do you know about what dates they were sent to the different people?

Mr. Southerland: In November 1912.

Mr. Vause: How about Mrs. Hart have you the date of that?

The Witness: I do not have it here.

The questions and answers ^{are} as follows:

"1. What are the practical uses of hypnotism?

A. Hypnotism for fun. And to use in case of disease, as curing headache, toothache, rheumatism and every common

mail and assuring you that we have no intention to continue

little pain that is found on all sides.

2. Can you hypnotize without making passes: if so, why do you make them?

A. You can hypnotize without making passes, but passes should be made in cases where you have to get the subject in a deeper sleep or while he is sleeping.

3. What is the condition of the mind when one is in a hypnotic sleep?

A. His mind is in such a state that he is perfectly conscious of what he is doing, yet he can't resist your bidding and will do whatever you say.

4. Can you fasten the subjects hands together without first putting him to sleep?

A. You can't fasten a subjects hands together without putting him to sleep.

5. Why, in your opinion, are some persons more susceptible to hypnotism than others?

A. Some persons cannot be hypnotized because they will not submit to it. They cannot control their will power and they think you are going to hurt them.

6. Is it easier to fasten ones eyes together than it is to put him to sleep, or can he be asleep before his eyes can be fastened together?

A. You do not have to put the subject to sleep to fasten his eyes together, yet it is a bit easier to fasten one eyes together than put them to sleep.

7. If a person should have a headache after being hypnotized or feel nervous, what would you do if anything?

A. If a person has a headache after being hypnotized it is better to put them to sleep again and tell them when they wake up there will be no feeling of sickness and everything will be clear.

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8.
What are the essential qualifications of a good hypnotist?

A. A good hypnotist will never give up a case until he has done his best. He must persevere, be clean and neat in appearance and never at any time abuse the good science of hypnotism.

9. What books have you read on hypnotism?

A. I have not read any book on hypnotism so far but I intend getting some, that one for sale in the back of the lesson book.

10. To what extent have you used hypnotism; that is, what demonstration, if any, have you given? Have you tried it in diseases; if so, with what results? Also state in what other way you have employed it?

A. I have used hypnotism to such an extent as my time permitted. I have given a few parlor entertainments with good results, I have also tried it in disease, such as curing headaches, toothaches, and rheumatism with far greater results than I ever dreamed of. I find that if a person has a chill or feeling cold in any way, get them to sleep, and they will move faster than they would otherwise at your command. When

they wake up they wonder what makes it so warm."

The Vice President and General Manager on receipt of this examination report, said:

"We congratulate you most sincerely upon your success and we trust you may continue to succeed."

The ~~xxx~~ Institute does not have a regular constituted faculty and the individual advertised as being the President has not been known in Rochester for at least seven or eight years, and with the exception of Charles S. Clark the other

persons listed under the head of "Faculty and Officers," are not known in Rochester. In corroboration of this, I submit

mail and assuring you that we have no intention to continue

the affidavits of Edward Byer and Joseph Vick, under Exhibit 1b.

Sage used to be a traveling hypnotist. He and Adkin organized the New York Institute of Physicians and Surgeons against which a fraud order was issued by this Department in 1905. Sage and Adkin shared equally in the stock of this concern. Sage was also interested in a medical company of a similar character exploiting the so-called "Force of Life," the business being conducted at 2255 Broadway, New York, New York. This so-called "Force of Life," as well as the course sold by the Institute of Physicians and Surgeons under the name of Vitaopathy, ~~and against~~ was similar to that exploited by one Mann under the name Radiopathy, and against which a fraud order was issued. Charles B. Westover was connected with the Vitaopathy scheme in the capacity of Professor and as Editor of the Vitaopathic Journal of Health. Nothing could be ascertained as to the whereabouts of Keller or Alberta Lee. Olga Helena Sage is the wife of X. LaMotte Sage. Sage after leaving Rochester years ago operated the Tokalon Manufacturing Company, 2830 West 38th Street, New York, New York.

In my investigation I have sent out more than 700 letters to people whose names appear in the advertising matter as having derived benefit from the course and to people who have purchased it. I find that the course and the supplemental instructions will not teach any and every person to become hypnotists and will not enable any and every person to cure disease by mental suggestion. In fact, the persons who claim to be able to hypnotize or to cure disease after having studied the course, are the exceptions, and the people who are disgusted with it and refused to study it or who were unsuccessful after having faithfully studied it are largely in the majority.

The Assistant Attorney General: Have you put anything in evidence here to show the nature of these letters that you are referring to?

The Witness: I will later. You see the thing appears disconnected in that we are not reading the material which makes the connection.

By Mr. Southerland:

Q. Will you state who Alberta Lee is?

A. I do not know.

mail and assuring you that we have no intention to continue

Q. Did you endeavor to locate her?

A. I did.

Q. Who is Olga Helena Sage?

A. The wife of X. LaMotte Sage.

Q. Did you try to locate Paul Weller?

A. Paul Weller is not in Rochester; he has been in Canada for many years.

Q. Did you try to locate E. L. Ottnat, Manager of Correspondence for United States and England?

A. I think that person is present.

Q. Who is J. Ronca, Manager of Correspondence for France and Belgium?

A. I do not know.

Q. Did you try to locate him?

A. I did not attempt to locate those employees.

Q. These seem to be mostly managers of correspondence?

A. You will understand however they are represented as being members of the faculty.

The Witness: In my investigation I have sent out more than 700 letters to people whose names appear in the advertising matter as having derived benefit from the course and to people who have purchased it. I find that the course and the supplemental instructions will not teach any and every person to become hypnotists and will not enable any and every person to cure disease by mental suggestion. In fact, the persons who claim to be able to hypnotize or to cure disease after having studied the course, are the exceptions, and the people who are disgusted with it and refused to study it or who were unsuccessful after having faithfully studied it are largely in the majority.

Out of 146 replies received to one form letter and sent out at one time, eight claim to have been satisfied with the

mail and assuring you that we have no intention to continue

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course or to have received some benefit from it, while 138
claim not to have received any benefit whatsoever. I am
unable to find a single authentic instance wherein any person
has been able to relieve pain under any and all circumstances,
or where any one ever hypnotised a subject over the telephone,
or at a distance of one thousand miles. Professors F. H.
Stouffer of Pueblo, and Dr. J. Edward Hiltes, of Denver, Colo-
rado, who it is alleged together performed this feat, after
diligent search cannot be located. I was informed that there
formerly lived in Denver a Dr. Hiltes but that he is now dead.

I have been unable to locate a single person among the
number with whom I have communicated who were able to make from
ten to twenty-five dollars ^a day through the instrumentality of
Magnetic Healing or who are making any money in fact; or who
who are curing persons given up as incurable.

Among the files of the Institute secured by subpoena duces
tecum, I selected two alleged remarkable instances of cures;
one from Paducah, Kentucky, and the other from Haverill, Massa-
chusetts. The Institute on receiving these reports congratu-
lated the persons reporting them and assured them that a good
influence was at work. The cases were those of paralysis,
shrunk limbs and loss of vision. The person who reported
of having cured the case of paralysis could not give the name of
the patient who had been cured, and the person who made the
report relative to the restoration of vision was being treated
by a physician whose treatment he says resulted in the improve-
ment. The correspondence relative to these two cases is sub-
mitted under Exhibit 3.

Under Exhibit 3a and as bearing upon the Magnetic Healing
feature, I submit 57 letters taken from the files of the New
York Institute of Science showing that vitaopathy, which is
part of the course of instruction and treatment, is recommended

and assuring you that we have no intention to continue

for the cure of nearly every known disease and it is stated in support of the merits of Vitaopathy that it is the culmination of all that is practical in the treatment of disease by mental healing suggestion.

Under Exhibit 3b, I submit the courses on Vitaology, prepared by "Professor" Thomas F. Adkin and his statement to the effect that this is practically the same as the course on Vitaopathy, against the circulation of which the fraud order of 1905 was issued. In the files of the literature of the New York Institute of Science will be found the course on Vitaopathy which is now being circulated and which is substantially the same as the course in Vitaopathy which was circulated by the New York Institute of Physicians and Surgeons against which the fraud order was operative. The course in Vitaology was secured from the files of the Chief Inspector's office, and formerly was an exhibit when the case was under consideration by the office of the Assistant Attorney General.

Under Exhibit 3c, are submitted files from the Chief Inspector's Office, showing that the mails were closed to the circulation of Vitaology, or Vitaopathy, and Magnetic Healing by Adkin, Personal Magnetism, by Weller and the course in hypnotism by Sage, when circulated by the New York Institute of Physicians and Surgeons. The correspondence which has been sent through the mails by the New York Institute of Science shows that the same literature is being circulated as was formerly circulated by the New York Institute of Physicians and Surgeons, excepting that prominence is now given to Sage's course, while formerly prominence was given to the Adkin treatise.

Mr. Vause: Do I understand you to say that the courses of instruction which are in the New York Institute of Physicians and Surgeons are the same as those in the New York Institute of Science.

The Witness: I submit them both.

mail and assuring you that we have no intention to continue

The Assistant Attorney General: This is a general statement of the witness with reference to the different papers he is going to offer in evidence. The papers ~~in~~ submitted are in evidence and will be considered.

The Witness: The students of this so-called institute do not have the benefit of the combined knowledge and experience of the best authorities of the time nor the personal instructions of any one excepting Clark and Adkin, there being no corps of professors as represented and in fact, no corps of professors of any kind. It is customary when students inquire for any of the pretended professors to say that they are taking trips abroad, as is evidenced by Exhibit 4.

Sage, Adkin, Weller and others are not regarded as eminent scientists and the course which these men have prepared does not have the full indorsement of the scientific men of the world, as is evidenced by the letters submitted under Exhibit 6.

Under Exhibit 7, is submitted the letters from the persons specifically named in the citation as having given testimonials and which show that said testimonials are not bona fide and genuine.

Mr. Vause: Are these the testimonials mentioned in the citation?

The Witness: Yes, sir.

Mr. Southerland: Some of them, not all of them.

The Witness: Under Exhibit 8 are submitted sworn statements made by some of the persons who have given testimonials as to the efficacy of the institute's course of instructions as well as certain correspondence which was received by the testimonial writers through the mail. The statements of the persons who gave the testimonials are to the effect that they were given under a promise to receive certain books and things of value.

mail and assuring you that we have no intention to continue

In a letter to T. J. Morrissey, Providence, Rhode Island, the Vice President and General Manager, Charles S. Clark, states

"It just happens that at present we need someone in your locality to whom we are at liberty to refer those who inquire about our course. Someone who knows what the course is and who would be willing to answer letters of inquiry. If you are willing to act in this capacity for us please write us a letter telling us your experience with the course and what you think about it and send the letter giving us permission to use it in our literature."

Then follows the promise to furnish Mr. Morrissey with a certain course then alleged to be in the process of printing.

Mr. Vause: Are you reading the letter or part of it; you should read the beginning of the letter, I think it is unfair

The Assistant Attorney General: As a matter of fact, Mr. Vause, he is simply putting these papers in for what they are worth and is giving a general explanation of the matter. If his explanation is not consistent with the letter, it is in evidence and can be examined.

Mr. Vause: The letter speaks for itself, but the reason why an extract should not be read is that we no doubt in a former part of the letter acknowledge receipt of his letter in which he expresses satisfaction and recommends our treatment. We want you to see this letter, and have the whole letter read. The man has already written in a letter saying ~~he~~ he is satisfied and then he has given a testimonial for there must have been some correspondence showing that he permitted the use of that testimonial and the arrangement is made afterwards that he shall get those books or whatever he speaks of here.

The Assistant Attorney General: I understand thought that we have dispensed with the necessity of reading all these letters in evidence. When one is put in all the matter we have

mail and assuring you that we have no intention to continue

Mr. Vause: He has made a statement as to the contents of that so that it ought to go in. He makes a statement and gives the substance of the representation that he now refuses to put in evidence.

The Assistant Attorney General: I have stated from time to time in this hearing that Mr. Williamson is simply making a general statement and the papers themselves will be the only thing that will go in. He has made that statement predicated on the representation that he was going to produce those papers.

Mr. Southerland: The only statement was that there were 449,000 pupils, approximately, which Clark had stated to him, and he had also stated to Mr. Williamson that that they had taken in a total of \$1,800,000, and Mr. Williamson got that from the letter and he does not care to put that in evidence.

Mr. Vause: I think it is unfair. It is a conversation between two people and it was reproduced in writing and he comes along and gives a part of the conversation and does not produce the written instrument/

The Assistant Attorney General: If anything is going into the record about that letter, the letter must go in itself he cannot put it in or not as he sees fit.

Mr. Vause: I shall then ask you on the record that my request that every statement that Mr. Williamson has made regarding the conversation that he had with Mr. Clark be stricken from the record in view of the refusal to produce and put on file the written letter or statement which Mr. Williamson referred to.

The Assistant Attorney General: As I understand Mr. Williamson did not testify as to any conversation with Mr. Clark

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tation in itself that they endorse its business methods and general reliability.

Mr. Vause: Most certainly it means financial responsibility, the representation speaks for itself.

The Assistant Attorney General: It states "reliability and financial responsibility?"

Mr. Southerland: That is the way it reads, meaning that the company is reliable and will fulfill any representation made.

Mr. Vause: Reliable as to our financial transactions; that is all you can refer to a bank on.

Mr. Southerland: It states "financial responsibility."

Mr. Vause: Financial responsibility that is all that it is intended for; I think the representation speaks for itself.

The Assistant Attorney General: I think "reliability" goes farther than a question of financial responsibility.

Mr. Kimball: A man may be reliable and not have a dollar in his pocket.

The Witness: There is something also in that in addition to showing the name of the Lincoln Bank: I have evidence to show that these people are using the name of a bank which does not exist, namely, the ~~Flour~~ (Flower) City National Bank. That bank went out of business many years ago.

The Assistant Attorney General: May be that literature dated back to that time.

The Witness: I think I can show you to the contrary.

Mr. Vause: The Flower City Bank was the predecessor of the Lincoln, and the same man ~~is~~ president of both banks.

The Witness: I understand that but I have evidence here showing that they continue to refer to the Flower City National bank since it went out of business.

The Assistant Attorney General: What date?

The Witness: I have a letter dated August 23, 1912, in which the following statement is made: It appears a letter was sent ^{by} ~~by~~ one Kutz, dated August 23, 1912, ^{to} ~~to~~ the New York Institute of Science, who it appears had previously made inquiry of the Flower City National Bank and not having gotten any satisfaction this explanation was sent him.

(Letter then read.)

Now the bank that the man was talking about went out of business.

The Assistant Attorney General: I want to know what connection that has with this?

Mr. Southerland: We charge that this is not an institute of science, that it is not a school.

The Assistant Attorney General: How does that prove it?

Mrs. Southerland: This tends to show it has no recognition by this bank.

The Assistant Attorney General: This is a case where the bank is not recognized.

The Witness: I have another letter dated August 24, 1912, wherein the New York Institute of Science directs a person making inquiry to write to the Flower City National Bank, an institution which does not exist.

The Assistant Attorney General: Is it a form letter?

The Witness: It is a specially dictated letter.

"It would be of no use to us to have you deposit five dollars in the bank you mention because our financial standing is good enough for the five dollars and if you will inquire about this in a letter addressed to the Flower City National Bank of this city we can assure you that you will be satisfied on this point."

The Flower City National Bank, went out of business in January 1906.

Mr. Vause: And was succeeded by the same officers as are at present in the Lincoln Bank. Is it not a fact that one bank is the same as the other? The name is given up for there both ways and our account was transferred without our knowledge or consent or anything else but went right along with the Lincoln Bank.

The Witness: (Then read letter from Lincoln National Bank of Rochester, New York.)

Mr. Vause: In answer to that, I wish to state we have letters to the contrary, that their request was immediately and cheerfully complied with.

The Witness: Therefore they had to fall back on the use of the name of the Flourens City Bank.

Mr. Southeland: It seems to me that it is perfectly admissible under the general charge of a scheme to defraud showing and ~~making~~ the ~~making~~ intent of these promoters.

Mr. Vause: There is no representation there, and it has nothing in the world to do with the charge "that said institute is not a school or institution." It was nothing in the world but an error of one of the clerks.

The Assistant Attorney General: It goes to the merits of the institution itself while the other goes to the merits of the representations made by the institution, financially or otherwise. It seems to me that the only theory upon which this letter will be admissible at all, if we confine ourselves to the specific charges, is that this is evidence of a general scheme to defraud and that they are representations which induce people to patronize that concern.

Mr. Vause: Evidence of a general scheme means that you are limited to like ~~making~~ allegations which in themselves you allege constitute the fraud. You cannot charge a person has committed a fraud in so far as he has made certain allega-

tions which are alleged to be fraudulent and then come along with a number of other representations he has made which have no connection with those he is notified of are fraudulent, for two reasons: First, he is laid at the mercy of the Department if he is informed of certain representations which it is necessary for him to answer and which are set forth as fraudulent. Second, your citation alleges what are fraudulent and in what respect they are fraudulent, and after this is issued you could start out and get any other representations of another character which he is cited to answer and which have no bearing on the ones originally stated, and they must have some bearing on the original representation otherwise they are incompetent and there is absolutely nothing in them which proves any of the other allegations to be false.

The mere fact of that bank's statement will not prove any of the other charges, and they ought to be limited to the representations made and not bring in other extraneous matter, having no connection with representations which we meet. Otherwise, I urge, every representation that is made in this business would have to be accounted for by these people down here, and every representation of every character having no bearing on any charged would have to be brought out. If we had known there were representations made with reference to a bank which were alleged to be fraudulent then we would be in a position to prepare ourselves and we could not be taken by surprise and would be prepared to answer. If there is a limit it should be fixed; if there is no limit, any representation we make at any time or any transaction of any character not bearing upon those which you allege here, could be brought against us and of course we would be at the mercy of the Department, because then you would prove certain things and we would have to prove that it is something we have no notice of.

Mr. Southerland: We shall proceed with charge No. 7. On page 16, of the booklet, entitled "The Philosophy of Personal Influence," appears the following:

"Your course in hypnotism is so plain that anyone can understand it. No one can mistake the meaning. Last week we extracted some teeth without pain. We are physicians, and find hypnotism of great help to us in our practice." W.E. & W. L. Link, M.D.'s, Willington, S.C."

I now read a letter from Inspector Williamson, as follows:

"Post Office Department, Office of Inspector, New York Division, Rochester, New York, January 29, 1913, Dr. W. E. Link, Willington, S. C., Dear Sir:

"I have had some correspondence with your postmaster regarding what appears to be a false testimonial which the New York Institute of Science are circulating over your name. The testimonial is as follows:

"Your course in hypnotism is so plain that anyone can understand it. No one can mistake the meaning. Last week we extracted some teeth without pain. We are physicians, and find hypnotism of great help to us in our practice." W. E. & W. L. Link, M.D.'s, Willington, S.C."

"Will you kindly state the facts concerning it? I am investigating this concern on the charge of using the mails for the purpose of fraud? When replying use enclosed official envelope, without postage.

"Thanking you for any information you may be able to furnish, I am, Very respectfully, (signed) O.B. Williamson, Post Office Inspector."

On the bottom of this letter appears the following:

"I never gave such a testimonial to any person or party, and I never pulled a tooth with any such sorcery. Very truly yours, W. E. Link, M.D., Willington, February 5, 1913. P.S.

The testimonial is a pure fraud."

On page 36 of the booklet, "The Philosophy of Personal Influence?" appears the following:

"I have had splendid success with your instruction. I have used it upon myself (auto-hypnosis). I was sick and worried very much, so that I could not eat or sleep, but I am all right now. I would not be without the knowledge for any amount of money." Mrs. Mary Miner, 312 D St., Pueblo, Colo.

from carbon copy of letter to her from Inspector Williamson:

"Rochester, New York, February 4, 1913, Mary Miner, Goodpasture, Colorado. Dear Madam:

"I am investigating a case against the New York Institute of Science against which an allegation of fraud has been made. This concern claims to teach the mysteries of hypnotism and how to cure disease by treatments of it. They are circulating over your name, the following testimonial:
(Testimonial above quoted here appears in full.)

"Is this a genuine testimonial? When did you give it if it is? How much did you receive for it, if anything? Please let me know by return mail, using the enclosed official envelope without postage. Very respectfully, Post Office Inspector."

The reply is as follows:

"Good pasture, Colo., 2-15-13, O.B. Williamson. Dear Sir:

"In reply to your letter of inquiry in regard to the New York Institute of Science, will say, that the testimony is false and if I was under oath will say I could give a different statement altogether. Respectfully yours, Mary Miner, per George Jennings."

On page 40, of the booklet, "The Philosophy of Personal Influence," appears the following:

"Had a case of paralysis last week. After five minutes' treatment, she walked alone across the room. She was considered incurable. She is happy to-day. Cured a case

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Letter of reply from Mr. Eichler, is as follows:
of somnambulism; this patient would never sleep more than
three hours at one time. She was on the verge of insanity.
She now retires every night at 9.30 and falls asleep in-
stantly. Says she would not wake up if a cyclone struck her."
R.F.Eichler, Sec. of Board of Trade, Waltham, Mass."

Letter from the postmaster at that place:

"United States Post Office, Waltham, Mass. Jan. 4, 1913.
Mr. C.B.Williamson, P.O.Inspector, Rochester, N.Y. Dear Sir:

"With reference to the enclosed I have to report that I
am personally acquainted with Mr. R. F. Eichler and therefore
know that he is a man of good repute. He informs me that he
has been in communication with the New York Institute of
Science, he has not written them any testimonial nor author-
ized them to use his name in any way in connection with their
business, no inducements have been offered to him for a tes-
timonial. Respectfully yours (Signed) C. J. Shepard, Postmas-
ter."

Letter by Inspector Williamson to Mr. Eichler:

"Rochester, New York, January 28, 1913. Mr. R. F.
Eichler, Waltham, Mass. Dear Sir:

"The New York Institute of Science is circulating the
following testimonial supposed to have come from you:

(Testimonial last quoted here appears in full)

"I had some correspondence with your postmaster regard-
ing this and he advises you state you did not authorize this.
I am investigating this concern, believing that the testi-
monials are false. I wish you would be kind enough to send
me a statement that this testimonial is false, also send me
what literature you may have from this concern. Kindly keep
the matter of my investigation confidential until this inves-
tigation is complete.

"Thanking you for any information you may furnish, I am
Very respectfully, Post Office Inspector."

Assuring you that we have no intention to continue

Letter of reply from Mr. Eichler, is as follows:

"Waltham, Massachusetts, February 13, 1913, Mr. O.B. Williams, Rochester, New York, Dear Sir: Mr. Ferdinand Heintz "Your letter of the 12th was the first letter I received from you. Now this Rochester company sent me a pamphlet and asked me if I could approve of it, they would issue a big book of all the secrets and ways of the sciences and I wrote them. The pamphlet sent me was alright ~~and~~ but never received any words, and I wrote them and their answer was that for all the copies I would sell they would give me a big percentage. I then told or wrote them I did not care to be bothered and that is all. I certainly was much annoyed and trust it will be discontinued as far as my name is used. All this happened about 14 years ago. Trusting this may be what you want, Most respectfully, Robt. F. Eichler." (.P.S.) "All their books would be sent me free and never received one." Jan. 30, 1913, Hon. Post Office Inspector,

Mr. Vause: The letter that has been quoted here ~~as~~ Mr. Williamson is dated January 28, 1913, and the letter this is in reply to is a letter of February 12 on his request; that I had left from the New York, to Waltham, Mass. and be delivered in one day. That is the only letter you wrote to Mr. Eichler, is it, Mr. Williamson?

Mr. Williamson: Yes Sir:

Mr. Southerland: On page 49 of the booklet, entitled "The Philosophy of Personal Influence" appears the following: "I was troubled with complicated ailments for years. It cost me a great deal for doctors, and I got no relief. Your instructions in auto-suggestion have done me more good than anything else. I have had remarkable success in healing ~~with~~ others.. I find your instruction very plain and complete in every detail. ' Ferdinand Heintz, 2121 Ash Lane,

...that we have no intention to continue

Erie, Pa."

Letter of Inspector Williamson to Mr. Heintz:

"Rochester, New York, January 29, 1913, Mr. Ferdinand Heintz, 2121 Ash Lane, Erie, Pennsylvania. Dear Sir:

"I am quoting below a testimonial which the New York Institute of Science is circulating over your name:

(The above testimonial is here quoted in full.)

"I am investigating this concern and I wish you would write and tell me whether you ever wrote this or not, and, if you did, what inducements did this concern offer you for this testimonial, and is it true? If you have any information you can give me I assure you I will not cause you any embarrassment whatever the facts may be. The enclosed official envelope may be used, for your reply, without postage. Very respectfully, (Signed) O.B. Williamson, Post Office Inspector."

Reply of Mr. Heintz, is as follows:

"Erie, Pa., Jan. 30, 1913, Hon. Post Office Inspector, Rochester, New York.

"I gave to Mr. Isidor Sobel, postmaster of Erie, not long since all literature in my possession on his request; that I had left from the New York Institute of Science some 13 or 14 years ago. I have grown to be an old man near 71 years of age. I don't remember what inducements if any that I got for my testimonial, I did think at the time when I gave said testimonial, that as I said it did me some good and I gave the advice to others; I soon found it was imagination and paid no more attention to it for all of 13 years since, as I told Mr. Sobel P.M. of Erie, that if I was asked for testimonial a few weeks later, I would never have given it.

"The above is all I can remember, I have no further knowledge. Very truly, Ferdinand Heintz."

Mr. Williamson: I desire to have it put in the record that the letter of Mr. Eichler of Waltham, Massachusetts, was written by a clerk in the post office at Rochester, named Engel, and I find by examining the letter for the first time that by changing the word "if" to the word "that" it leaves rather a false impression, for it makes it appear that I was soliciting a false testimonial. That is plainly a typographical error. The statement reads: "I wish you would be kind enough to send me a statement that this testimonial is false"--you remember that the postmaster said that it was false. This is how it should read, and as I doubtless dictated it: "I wish you would be kind enough to send me a statement if this testimonial is false."

Mr. Vause: Did you sign that letter? Sage addressed the

Mr. Williamson: I did. and further states that the

Mr. Southerland: On page 48 of the booklet "The Philosophy of Personal Influence," appears the following:

"Ohio State University, Columbus, Ohio, Feb. 1, 1897.

"To Whom It May Concern: whether Prof. Scott is connected

"At my invitation Dr. X. La Motte Sage addressed our classes last Friday in the University Chapel, on hypnotism. His presentation of the subject was reasonable and candid and free from all extravagant claims. Those present were greatly interested and enjoyed a rare opportunity of learning the nature and possibilities of hypnotism, so far as they have been ascertained by the most distinguished investigators.

"After the address some practical experiments were conducted by Dr. Sage, with the students and faculty of the University as subjects. These were highly satisfactory and thoroughly enjoyed by everyone present.

"It gives me pleasure to commend the doctor as a person whose intelligence and address entitle him to recognition by the best people of the places he may visit. (Signed) W.H.

and assuring you that we have no intention to continue

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Scott, Professor of Philosophy, For 13 years President."

Letter of Inspector Williamson, to the President of the Ohio State University, reads as follows:

"Rochester, New York, February 1, 1913, President, Ohio State University, Columbus, Ohio, Dear Sir:

"I am investigating the business methods of the so called New York Institute of Science which professes to teach how to cure bad habits, and a method of banishing domestic infelicity, by means of a course through the mails. It has been alleged that this concern has been using the mails to defraud. Among the testimonials which they circulate is one dated February 1, 1897, and signed "W. H. Scott, Professor of Philosophy, For thirteen years President."

"This professor states that Dr. La Motte Sage addressed the class on the subject of hypnotism, and further states that the address was practical and the experiments, which were conducted by Dr. Sage, were satisfactory; that his intelligence and address should entitle him to recognition.

"Will you kindly advise me whether Prof. Scott is connected with your university, and, if not, where he can be located. If he is there kindly refer this letter to him with the request that he advise me whether the testimonial is genuine or not. The enclosed official envelope is intended for use when replying.

"Thanking you for any attention you may give this matter, I am Very respectfully, Post Office Inspector."

Reply to that letter reads as follows:

"The Ohio State University, W.O. Thompson, President, President's Office, Columbus, February 3, 1913. Mrs. O. B. Williamson, Rochester, New York. Dear Sir:

"Your letter of February 1 to President Thompson has been received and referred ~~to~~ by him to Dr. William Henry Scott, whose present address is Clingtonville, Ohio. Dr. Scott is an

assuring you that we have no intention to continue

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Emeritus Professor and not actively connected with the University. I have no doubt he will make reply to your letter. Yours very truly, R. H. Duncan, Executive Clerk."

Reply of Mr. Scott, is as follows:

"Clintonville, Ohio, February 4, 1913, Mr. O. B. Williamson, Post Office Inspector, Rochester, N.Y. Dear Sir:

"President Thompson of the Ohio State University has sent me a letter which he recently received from you, making inquiry concerning a testimonial circulated by the so-called New York Institute of Science to which my name is attached.

"I gave Mr. La Motte Sage a testimonial about the time named in your letter but I have long since changed my opinion of him and I wrote to him several years ago repudiating the letter and forbidding any further use of it.

Respectfully, (Signed) W. H. Scott."

The Assistant Attorney General: All these testimonials are still being used in the latest literature?

Mr. Southerland: Yes sir.

On page 49 of the booklet entitled "The Philosophy of Personal Influence", appears the following:

"Fall River Medical College Fall River, Mass., April 16, 1898. By special invitation Dr. X. La Motte Sage appeared before the Fall River Medical Society and gave a very interesting demonstration of hypnotism, performing a number of genuine and remarkable tests upon prominent physicians present. E. Harrison, Secretary, Given by order of the Society."

Letter of Inspector Williamson to the President, of the Fall River Medical College:

"Rochester, New York, January 30, 1913, President, Fall River Medical College, Fall River, Mass. Dear Sir:

been a member of the Society for many years. Whether he was a member at this time, I cannot state.

and assuring you that we have no intention to continue

"I am investigating the business methods of the New York Institute of Science, which concerns purports to teach by correspondence the mysteries of hypnotism, how to cure the liquor and drug habits, how to banish domestic infelicity and the like. A charge has been made against this concern that it has been using the mails in a furtherance of a fraudulent scheme.

"I note they are circulating what purports to be a testimonial dated April 16, 1898 and signed "E. Harrison, Secretary" This testimonial is as follows:

(Then follows testimonial as quoted above.)

"If Mr. Harrison is not associated with your college will you kindly advise where he can be located. If he is still with the college, kindly refer this letter to him with the request that he advise me whether the testimonial as quoted is genuine or not. I am enclosing an official envelope for reply.

"Thanking you for whatever attention you may give this matter, I am Very respectfully, Post Office Inspector."

Reply to this letter is dated February 10, 1913, as follows:

"(Letterhead) "Dr. George L. Richards, 124 Franklin Street Fall River, Massachusetts." Feb. 10, 1913, Mr. O. B. Williamson, Rochester, New York, My dear Mr. Williamson:

"In reply to yours of Jan. 30th, would say that a search of the records of the Fall River Medical Society does not show that any testimonial was ever given to Dr. X. LaMotte Sage, nor was any meeting held on April 16, 1898. Neither was there at any time any person by the name of E. Harrison Secretary. A Dr. E. Harris was at one time Secretary of the Society, and he is probably the Harrison referred to. He afterwards served a jail sentence for embezzling, and has not been a member of the Society for many years. Whether he was a member at this time, I cannot state.

and assuring you that we have no intention to continue

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"I personally recall that some years ago this Dr. Sage gave hypnotic exhibitions for a week in the City of Fall River, and that such a Dr. Sage appeared one evening before the Fall River Medical Society and attempted to do certain hypnotic tricks, but with only a moderate degree of success. He was very likely given the ordinary vote of thanks usually given to a visiting speaker, but it is very unlikely that any formal testimonial was given him, as it is not in accord with any custom of the Society.

"Furthermore, the records show that at that period in 1898 a Dr. Merritt was Secretary of the Society, and not Dr. Harris.

"Should you wish further information I will endeavor by personal interviews with some of the older physicians, and by a further search of the records ascertain, if possible, just when this Dr. Sage appeared before the Society. Very sincerely yours, Geo. L. Richards (signed) Librarian, Fall River Medical Soc." Respectfully Post Office Inspector."

Under the heading of "Dr. Sage Before Clubs and Educational Institutions" is printed the following: Institute, Poughkeepsie, N. Y. "To Whom it May Concern: This is to state that Dr. X. La Motte Sage has given us a highly interesting and eminently successful demonstration of the remarkable power of hypnotism, using as subjects parties who volunteered from among those present, all of them being residents of our city and well known to us." Among other clubs and associations appears the name "Rensselaer Polytechnic Institute, E. R. Carey Professor, Poughkeepsie, N. Y." I do not recollect whether he ever signed any

Letter of Inspector Williamson, is as follows: to us "Rochester, New York, February 4, 1913. President, Rensselaer Polytechnic Institute, Troy, New York, Dear Sir:

"I am investigating the business methods of the New York of the ... no right to use it. Shall I write him to this effect or shall I do nothing further in the matter? Very truly yours,

and assuring you that we have no intention to continue

Institute of Science and note that they are advertising extensively regarding the remarkable hypnotic power of X La Motte Sage, and that they circulate the following statement:

"To Whom it May Concern: This is to state that Dr. X La Motte Sage has given us a highly interesting and eminently successful demonstration of the remarkable power of hypnotism, using as subjects parties who volunteered from among those present, all of them being residents of our city and well known to us. Rensselaer Polytechnic Institute, E. R. Carey, Professor, Poughkeepsie, N.Y."

"This statement is undated and it is probable that the concern has circulated it for a number of years."

"Will you kindly advise me whether or not it is true and whether you have authorized the endorsement. An official envelope, which can be used without postage, is enclosed for your reply. Very respectfully Post Office Inspector."

Reply is as follows:

"[Letterhead] 'Rensselaer Polytechnic Institute, Palmer C. Ricketts, Director, Troy, N.Y.' February 5, 1913. O.B. Williamson, Esq., Post Office Inspector, Rochester, N.Y. My Dear Sir:

"I have your letter of February 4th.

"I have asked Professor Cary whether he ever gave such a certificate to X La Motte Sage. He says that many years ago, probably 13 or 14, he was at a private house and saw Sage perform. He does not recollect whether he ever signed any statement for him. In any case, Sage has no right whatever to use the name of this institution. Cary at that time was not a professor; he was an assistant. We do not wish the name of this institution used for any such purpose, and the man has no right to use it. Shall I write him to this effect or shall I do nothing further in the matter? Very truly yours,

and assuming you that we have no intention to continue

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(signed) Palmer C. Ricketts."

The Assistant Attorney General: Did Carey answer himself?

Mr. Southerland: No sir. The Director of the Polytechnic Institute. I want to establish the fact that this man had no official status there.

Mr. Vause: He was an assistant professor there.

The Assistant Attorney General: He had no authority to ~~state~~ make a statement for the school. I see here the name of E. B. Prettyman, Principal and Supt. of Public Instruction, Baltimore, Md. I knew Mr. Prettyman personally; he is now dead. He was never a superintendent of public instruction; he was Superintendent of the State Normal School in Baltimore. He has been dead several years and it has been quite a number of years since he has lived in Baltimore at all. He lived in Rockville, Maryland, until he died.

Mr. Southerland: I have here another letter from Mr. Palmer C. Ricketts, which is as follows, being written on the same letterhead:

"Troy, New York, February 7, 1913, O.B. Williamson, Esq., Inspector, P.O. Department, Rochester, New York. My dear Sir:

"I have your letter of February 6th and am indebted to you for it. I enclose herewith a copy of a letter I have written the New York Institute of Science. If I hear from them I will communicate with you. Very truly yours, Palmer C. Ricketts (Signed)."

I Will read from copy of letter to which he refers, which is as follows:

"COPY, February 7, 1913. New York Institute of Science, Rochester, N.Y. Gentlemen:

"There has come to my notice the fact that you are circulating an incorrect statement regarding your work in which you use the name of the Rensselaer Polytechnic Institute.

"Trusting that you will let me hear from you by return mail and assuring you that we have no intention to continue

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You are requested to immediately cease from using the name of this institution in connection with any advertising you may hereafter do. You are doubtless aware of the fact that by the use of this advertisement you are rendering yourself liable to prosecution under the law.

"I shall be glad to have an immediate answer notifying me that you have ceased using the name of this institution in your advertisement. Yours truly, Palmer C. Ricketts."

Letter in reply to this:

"Charles S. Clark, Box 482, Rochester, New York, February 17, 1913a Mr. Palmer C. Ricketts, President, Rensselaer Polytechnic Institute, Troy, N.Y. My dear Sir:

"Your letter of February 7, addressed to the New York Institute of Science has been referred to me for my attention upon my return from a trip that has kept me away from my office for nearly three weeks. This explanation is my apology for not having answered your letter sooner.

"Now, the statement that we make in our advertising is absolutely true, as we can prove both by Dr. Sage and by documentary evidence but notwithstanding that fact we have no desire to use the name of your institution in our advertising matter if you object to it. In view of the fact, however, that you have written a letter accusing us of making an incorrect statement in our advertising and taking us to task severely for what you assume to be an incorrect statement, I have no doubt but that you will be willing, under the circumstances, to apologize for the harshness of your letter since we are right and you are wrong.

"I shall appreciate it if you will write to me personally in regard to this matter. I resent the imputation that we are using the name of your institution incorrectly.

"Trusting that you will let me hear from you by return mail and assuring you that we have no intention to continue

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this use, notwithstanding our evident right to do so, if you
are the present management of the institution object to it in
(Signed)
any sense, I am, Yours most cordially, C. S. Clark."

Letter of Mr. Palmer C. Ricketts in reply:

"February 19, 1913. Charles S. Clark, Esq., Box 482,
Rochester, New York. Dear Sir:

"I have your letter of February 17th.

"I can see no unnecessary harshness in my letter to you
of February 7th. You have used the name of this institution
in a manner in which you have no right whatever to use it.
You must be perfectly well aware of the fact that no instruc-
tor represents this institution and that you have no right to
use the name of this institution on account of any remarks
made by any instructor. In other words, this institution is
not in the business of advertising the hypnotic power of Mr.
X. La Motte Sage. No exhibition was ever given by him under
the auspices of this institution, and this institution would
under no circumstances think of having such an exhibition under
its auspices. Therefore, you have no right to use its name.
I again request you to stop using it. Yours truly,"

Another letter from Mr. Ricketts to Inspector Williamson,
follows:

"(Letterhead) 'Rensselaer Polytechnic Institute, Palmer
C. Ricketts, Director, Troy, N.Y.' February 19, 1913. O. B.
Williamson, Esq., Post Office, Rochester, N.Y. Dear Sir:

"I have received the enclosed letter from Mr. C. S. Clark.
I have answered it as by the enclosed.

"There is something curious about this matter. For in-
stance, the signature of the statement issued by the New York
Institute of Science, given me in your letter of February 4th,
is "Rensselaer Polytechnic Institute, E.R. Carey, Professor,
Poughkeepsie, N.Y." It ~~is~~ looks to me as if they had mixed up
this matter intentionally.

ature in circulation?
"Of course I have not mentioned your name in this
Mr. Williamson: It is in circulation now; there has
matter and have not given the source of my information.
been no change in it so far as I know.
Very truly yours, (Signed) Palmer C. Ricketts."

The Assistant Attorney General: Then Sage is still
Mr. Vause: Have you all the correspondence that was
connected with the institute?
sent to you by the representative of this institute?

Mr. Vause: Not for the last year.
Mr. Williamson: It has all been read that I received
Mr. Southerland: That was circulated in 1912.
from him.

Letter of the Worcester Telegram:
Mr. Southerland: I will now read letter from In-
spector Williamson to "The Telegram" Worcester, Mass.:
Worcester, Massachusetts, February 4, 1913. O. B.

Williamson, Rochester, N.Y., Dear Sir:
"Rochester, New York, February 1, 1913. Telegram,
"We are in receipt of your letter of Feb. 1st relative
Worcester, Mass., Gentlemen:

to item claimed to have appeared in the Worcester Telegram
"I am investigating the business of the New York In-
stitute of Science against which charges have been made
of Oct. 24, 1897 and find that on that date the paragraph
in which you ask about in your letter appeared in an adver-
tising fraudulent use of the mails.

tisement across the top of the first page of the Telegram.
"This concern purports to teach, by correspondence, the
occupying a space of two inches in depth and six columns in
mysteries of hypnotism, how to cure the drug and liquor
width. Very truly yours, The Telegram, B."

Letter of Inspector Williamson to ~~Worcester~~ Boston Journal:
The testimonials and press notices appear to have been
"Rochester, New York, February 1, 1913. Boston Journal,
secured several years ago, and I find the following under
Boston, Massachusetts., Gentlemen:
the heading, "What the papers say about Dr. Sage:"

"I am investigating the business of the New York In-
stitute of Science against which charges have been made al-
leging fraudulent use of the mails.
"Dr. X. La Motte Sage is certainly a past master in the
art of putting people to sleep."

"This concern purports to teach, by correspondence, the
mysteries of hypnotism, how to cure the drug and liquor
habits, and how to banish domestic infelicity and the like.
quoted is genuine, also state whether it was inserted as an
The testimonials and press notices appear to have been se-
advertisement or a news item.

secured several years ago, and I find the following under the
heading, "What the papers say about Dr. Sage:"
"Assuring you that I will appreciate whatever attention
you may give this matter, I am Very respectfully,

(Boston Journal, Feb. 6, 1898.)
Post Office Inspector. Enclosure: Official envelope for
reply."

The Assistant Attorney General: When was this liter-
him. The study of hypnotism is interesting and in the mind

ature in circulation?

Mr. Williamson: It is in circulation now; there has been no change in it so far as I know.

The Assistant Attorney General: Then Sage is still connected with the institute?

Mr. Vause: Not for the last year.

Mr. Southerland: That was circulated in 1912.

Letter of the Worcester Telegram:

"Worcester, Massachusetts, February 4, 1913, O. B. Williamson, Rochester, N.Y., Dear Sir:

"We are in receipt of your letter of Feb. 1st relative to item claimed to have appeared in the Worcester Telegram of Oct. 24, 1897 and find that on that date the paragraph ~~in~~ which you ask about in your letter appeared in an advertisement across the top of the first page of the Telegram, occupying a space of two inches in depth and six columns in width. Very truly yours, The Telegram, B."

Letter of Inspector Williamson to ~~xxxxxx~~ Boston Journal:

"Rochester, New York, February 1, 1913, Boston Journal, Boston, Massachusetts., Gentlemen:

"I am investigating the business of the New York Institute of Science against which charges have been made alleging fraudulent use of the mails.

"This concern purports to teach, by correspondence, the mysteries of hypnotism, how to cure the drug and liquor habits, and how to banish domestic infelicity and the like. The testimonials and press notices appear to have been secured several years ago, and I find the following under the heading, "What the papers say about Dr. Sage:"

(Boston Journal, Feb. 6, 1898.)

"Dr. Sage, is a wonder. I honestly did not believe he could hypnotise me, but he did, and I take off my hat to him. The study of hypnostism is interesting and in the minds

hands of a learned man like Dr. Sage it is doubly so."

"If your files can be reached conveniently will you kindly consult them and advise me whether or not the notice quoted is genuine, also state whether it was inserted as an advertisement or a news item.

"Assuring you that I will appreciate whatever attention you may give this matter, I am, Very respectfully,
Post Office Inspector: (Enclosure: Official envelope for reply."

Letter in reply is as follows:

"Boston, Mass. Feb. 3, 1913. Mr. C. B. Williamson,
Post Office Inspector, Rochester, New York; Dear Sir:

"In response to your inquiry of February 1st, on February 6, 1898 we published an article entitled 'Chelsea In The Grasp of Hypnotists' describing the powers of Professor F. T. McIntyre, who was selling 'hypnotic balls'. His home address was mentioned as 280 Ninth Street, Brooklyn, N.Y., and he was mentioned as giving an exhibition with The Sages. But we do not find the paragraph regarding Dr. Sage quoted in your letter. Very truly yours, (Signed) C. E. L. Wingate, General Manager."

The Assistant Attorney General: He does not say whether this was an advertisement or ~~news~~ news item?

Mr. Southerland: He does not. I next want to read a letter from the former postmaster at Rochester, New York, which appears in the literature submitted:

"Main Post Office of Rochester, N.Y.

Charles S. Clark, Rochester, N. Y. Dear Sir:

It may interest you to know that during the last fiscal year ending November 30th, according to our statistical report, you used postage stamps to the amount of \$57,349.12 (about 11,845 pounds) which proves that your business requires more postage stamps than any other business in the

city, and from which it is plainly evident that the New York Institute of Science is growing with gigantic strides.

"In connection with the above I wish to remark that through your foreign correspondence, our foreign money order department has increased about 400 per cent during the last four years. Owing to the various money orders received from all parts of Europe, and to the poor writing of foreigners, this post office has often difficulties in deciphering addresses. The New York Institute of Science as a consequence could frequently deny the arrival of the money and cause much unpleasantness to the post office, but we are convinced that the institute never takes advantage of this, but gives its customers whatever is just and due.

"With best wishes for your continued welfare, I remain,
Respectfully J. S. Graham, Postmaster."

Below that in small type appears the following:

"The above letter is a voluntary testimonial of the Postmaster of the City of Rochester, the contents of which will remove all doubts. The letter proves beyond a doubt that the New York Institute of Science is a responsible and well organized undertaking. Do you believe that you will ever have any difficulty with an institution of such magnitude and celebrity regarding an insignificant business transaction? Does not your own business experience teach you that it would be impossible to build up an institution of such renown, if it were founded upon fraud? Do you think that a postmaster, whose business it is to investigate postal affairs and prosecute frauds, would express his satisfaction concerning our business if it were conducted on a fraudulent basis and there existed the least doubt concerning the reliability of the Institute?"

Mr. Williamson: I will now read letter from Mr. Graham:

"State of New York, New York State Women's Relief Corps

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Home, Office of the Superintendent, Oxford, Chenango Co.,
N.Y., Dec. 27, 1912. Mr. O. B. Williamson, Post Office In-
specter, Rochester, N.Y. Dear Sir:

"Replying to your favor of the 24th inst., I recollect
writing Mr. Clark, giving him the amount of stamps he had
purchased, and the increase of the foreign money order busi-
ness owing to his concern, probably about the year 1902 or
1903. My impression is that the letter he has been publish-
ing over my signature has been added to to the extent that it
it is misleading, which warrants me in stating that it is not
the letter I wrote him, notably the lines I have underscored.

"Mr. Joseph Vick can perhaps give you some information
as to when the letter was written, it being at the height
of Clarke's business enterprises in Rochester. Mr. Connolly,
Superintendent of the Money Order Department will perhaps
be able to inform you on that point; and Miss Davis, the Steno-
grapher, might be able to find the copy of my letter.

(Signed)
"Hoping this is satisfactory, I am, Yours truly, J.S.

Graham."

The Assistant Attorney General: What lines are underscored?

Mr. Williamson: "It is plainly evident that the New
York Institute of Science is growing with gigantic strides."
"The New York Institute of Science as a consequence could fre-
quently deny the arrival of the money and cause much unpleas-
antness to the post office, but we are convinced that the In-
stitute never takes advantage of this, but gives its customers
whatever is just and due. With best wishes for your continued
Welfare, I remain," That is the underscored part, and he has
marked the following in the printing below the letter: "Do you
think that a postmaster, whose business it is to investigate
postal affairs and prosecute frauds, would express
his satisfaction concerning our business if it were conducted
on a fraudulent basis and there existed the least doubt con-

cerning the reliability of the Institute?"

Mr. Vause: What was your letter to Graham, did you read that?

Mr. Williamson: I have not that letter here. I perhaps wrote that letter without making a carbon copy of it.

I made an examination of the records of the Rochester post office and had ~~xxx~~ copied the following letter.

Mr. Vause: From what?

Mr. Williamson: From the records--the press-copy book.

"United States Post Office, Rochester, N.Y., December 22, 1903. Mr. Chas. S. Clark, Rochester, N.Y. Dear Sir:

"It has occurred to me that you would be interested to learn that the statistics of this office for the year ending the 30th ult. show that during that time your purchases of stamps, amounting to \$57,349.12, make you by a large percentage the heaviest patron of this office; indicating also the phenomenal growth of your business.

"In this connection it may also interest you to know that your business in foreign countries has within the past four years increased our International Money Order Business

over 400 o/o. Coming, as the orders do, from every country in Europe, we occasionally have difficulty in deciphering the addresses, and are confident that your liberality in giving your patrons the benefit of every doubt in such matters prevents the friction that would arise from attempts to hold them responsible for their mistakes and relieves us from tracing up what would otherwise be troublesome matters. With the compliments of the season, I am (Signed)

J.S. Graham, Postmaster."

The Assistant Attorney General: Did you make search of the letter records there yourself?

Mr. Williamson: Yes, with the assistance of the clerk

of the clerk in charge.

The Assistant Attorney General: That is the only letter you found of that nature?

Mr. Williamson: Yes sir.

Mr. Wetherland: I read from page 21, of the booklet, entitled "The Philosophy of Personal Influence."

"(A most remarkable article from the Philadelphia Press)

"Read this and find out the secret of success.

"Strange Powers of J. C. Montgomery

"Who is a Picturesque Person--Could Go To Congress--He Prefers to Stay at Home and Enjoy Wealth While He Cures Hopeless Cases by Magnetism."

"Montgomery's Hypnotic Mayo

"Charleston, W. Va., Dec. 7. People in this county and Fayette have wondered for years why J. C. Montgomery, mayor of the town of that same name located on the Chesapeake & Ohio Railroad, in the heart of the soft coal region, should be the most popular man in the whole section, and how he came to be elected mayor of his town, term after term in succession, till no one can remember when he was not at the head of the municipal government.

"That Montgomery had the qualities which always rendered their possessor popular could not be denied. He is a democrat, and the town gives three hundred republic majority, but that makes no difference in the certainty of Montgomery's election every time a mayor is to be chosen. He has had opportunities to go to Congress and the Legislature, but he has refused all of them, preferring to rest content with modest honors among his own people. The squire owns half a dozen farms, business blocks, half a hundred cottages and property of all sorts.

"He has never posed as the miners' friend, but he has more influence with them than anyone else on earth, and

taken the course of instructions and have given entertainments and are making money along the same line. We have here 161 letters received in reply to 300 letters which were sent out, by Mr. Clark.

The Assistant Attorney General: Have you a copy of Mr. Clark's letter?

Mr. Vause: We have and I desire to call attention to it. We also have another letter of a different character. In this letter Mr. Clark tells the people frankly we are under indictment and gives the whole history of the case saying that charges have been made against him and asks them certain questions. These replies were received. I understand some more have been received since we have been down here and are at Rochester and have not been sent to us. We have not withheld any of the replies; they are all good every one we received. There are some very good replies where the people unfortunately put a note on the letter telling us they must be regarded as strictly confidential, so we cannot submit all the replies we received.

We have here 174 letters received from 300 people ~~of another~~ in answer to another type of letter in which the indictment and criminal proceedings are not mentioned but it is simply stated that we are desirous of obtaining their honest opinion so as to satisfy a Department of the Government. In these letters the replies were made up by the people themselves; we had nothing to do with the replies.

~~Exhibit~~ (Both letters then read and are attached to top of two sets of replies, marked Exhibits Nos. 61 and 62 respectively.)

As regards these letters; they are submitted on the following proposition. They are submitted on the proposition that this method does teach a person to improve his mental condition. As for instance, you will find here business men who say
and they would put their initials on all

that they have used it and turned it over to their employes to help them. They do not buy it for hypnotism or anything of that kind but simply for the purposes of benefitting their minds and giving instructions to those about them in the conduct of their business. It is sold to another branch of people who had ailments and then to all kinds of men, from lawyers and salesmen, cashiers and all the way down the line to very ignorant people, all of whom claim that they have benefitted themselves in a great number of the diseases that you have paid attention to here, astigmatism, heart trouble and various things. There is still another class who state that they have hypnotised and have found people whom they have hypnotised the first time. Others state that they have failed on the first and they had to take a large number of people. There is still another class who state that they have not found enough people who they could try it on, that is as far as the hypnotism is concerned, and as I say there are a great number of people who did not buy it for the hypnotism part of it and some of these people say they have tried the hypnotising and have succeeded. Some state they have succeeded to such an extent that they are now travelling all over the country and around the world and making a large amount of money out of it. You will also find people who have studied the question as to the possibility of the mental suggestion and magnetic healing and as regards hypnotic influences which are taught and can be learned from this course of instructions, and have compared this course with other books of well-recognized authorities, the students themselves having studied the occult sciences and being proficient in them. So that this mass of literature is from these letters one set of which called for replies to four questions and they show the benefits from the course of instruction which these people have received; this

pieces of literature and they would put their initials on all

all shows that results have been accomplished and can be accomplished, and our deductions from that and arguments shall appear in the brief.

The Assistant Attorney General: Will you put those in evidence?

Mr. Vause: Yes.

Mr. Southerland: I would like to ask counsel if he received any replies in answer to those 300 letters which were unfavorable?

Mr. Vause: Yes.

Mr. Southerland: Are the unfavorable ones in here?

Mr. Vause: All the replies that we received to the 300 letters are in here except where people told us it was a confidential communication--those we have kept out, but I have state that most of those--all I have seen--are better letters than those in here.

Mr. Southerland: How do you account for the fact that you received replies to only approximately half of the letters you sent out?

Mr. Vause: The explanation is, number one, that very many people have moved from place to place, and number two, a number of people are loath to make reply when they hear that indictments are pending and for that reason ^{and the former} we presume that many letters have come back. If the questions upon which you desired special information have not been asked in this form letter of Mr. Clark's, I desire to make this proposition. That if any questions want to be answered by the students of this institution here and abroad, if this Department will tell us the question they want to be answered and give us the time we will send a letter to our students here and abroad and submit their replies and instead of this limited number that we have here and abroad we will get the information ^{from} you wish. We did not do this and there are tens of thousands

of people who will state results in like character, and will state that certain benefits have been received, and the money which they have made in the way of magnetic healing, we will get those letters and submit them to you. Our files were limited and consequently the names we send these letters to were limited; we did not have out of our files what you might call the good letters so we could pick them from the files and operate only a number of those cases; they are all in the possession of Mr. Williamson.

Mr. Southerland: So out of five hundred thousand students you took and selected a list of 300 and submitted approximately half the replies.

Mr. Vause: Yes, because we have not all the names in our possession and we have no way of getting them.

Mr. Southerland: Did you submit all the replies received?

Mr. Vause: All the replies received except those marked confidential. These will have to be considered in connection and on comparison of these letters and the testimonials I suggest with similar replies received by the government.

Of course we expect if the offer is taken up in a short time that all the papers not at our command will be open to access and we will guarantee to get you on any question which will be suggested answers of the various questions which come to the testimonial.

The Assistant Attorney General: We understand what your contention is, but Mr. Southerland calls attention to the fact of the striking similarity between the statements made in the some affidavit which will be submitted as to the literature letters and the testimonials themselves.

Mr. Vause: We will show that on the brief, because we want to submit as part of our reply.

Mr. Southerland: Counsel for the respondent referred to certain authorities, a number of men of science who had prepared this course of instructions and he referred to their instruction

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Mr. Vause: Clark has written some school books.

The Assistant Attorney General: There is some large school book publishing company by the name of Clark.

Mr. Vause: This is the New York State Publishing Company.
and Neal too

Clark is an author, the University of Pennsylvania is using some of Clark's text books on orthography and those.

The Assistant Attorney General: Do you mean books published by Clark and Neal or of which they are the authors?

Mr. Vause: They are authors and wrote those books.

The Assistant Attorney General: I mean the publishers.

Mr. Vause: This is the New York State Publishing Company. It is known as that and Clark's name does not appear in the name at all. I thought you were asking whether Clark had written any books used at this time as text books.

The Assistant Attorney General: There is a Clark Publishing Company, if my memory serves me right and they are publishers of various school books used in the primary public schools.

Mr. Vause: There may be but Clark has never been connected with any Clark Publishing Company; so I take it it would not be the same institution.

The result was that afterwards this book of which I have spoken as having these various authorities' articles, was sent to students in many instances as part of the instructions. Not in every instance.

The Assistant Attorney General: It was not a prescribed part of the course.

Mr. Vause: The result is that these articles have been published in pamphlet form and they are sent out as a part of the course of instructions to people who want instructions on that particular subject covered by that particular author and the result is there have been hundreds of thousands of those pamphlets of various authors not two to one person, but any

pieces of literature and they would put their initials on all

number, sent to the students throughout the world, so that those form as much a part of the instructions of the Institute of Science, although in pamphlet form, as if they were sent out as anything else beyond the first course, or in what they call their higher course.

Mr. Carlton: Let me ask you a question, whether those special courses of which you are now speaking, ~~were~~ sent out to a ~~few~~ few, were required subjects in your course?

Mr. Vause: No/

Mr. Carlton: Is it post graduate instruction?

Mr. Vause: No; it is instruction on what they are interested in.

Mr. Carlton: But it is not given before they have finished their course?

Mr. Vause: No, before they have finished their course. In other words I will explain it in the way I am coming to it.

Mr. Carlton: Is it required?

Mr. Vause: Most certainly. After a person writes in and tells us he is interested on that question, like the fascination of animals, they are told they can be fascinated and given one of these pamphlets relating to it. You understand some persons are specially interested in one subject, and they write in. The institute does not say it will teach how to fascinate animals, but a pamphlet is sent on the subject.

The Assistant Attorney General: It looks to me as if we are getting statements by counsel in this case which have no weight ^{about papers} and which are not in evidence.

Mr. Vause: I say that I am going to put this in in the shape of evidence, but I am explaining it now. My explanation in my supplemental answer will be along other lines. I do not know what courses you had; I wanted to see what your courses were. I supposed you would produce in twelve years every

claim in every piece of paper we have sent out. You have not done so and we could not tell what we would have to point out.

Mr. Carlton: We submit that we have offered ^{evidence on} every material in our citation, which you were given notice to meet.

Mr. Vause: Exactly.

Mr. Carlton: Now you are talking about what you are going to do.

Mr. Vause: I am going to show that you supposed you had all of our course of instructions here. I had a right to presume that. I am going to show that you have not. You have a lot of literature going back ten or twelve years which I thought would never come up. Of course if it is a testimonial which we got ten years ago we must justify it, but I did not suppose that a piece of literature we sent out eight or nine years ago, maybe two or five thousand copies of a paper which has long since been discontinued--that you were going to bring that against us here.

Mr. Kimball: You ignore one fact. When we sent out to those people in order to obtain your literature, we got the names of the people who had enrolled with you within a year or two, never beyond three years, and we asked them to send us all the literature they received, and we put it all in evidence.

The Assistant Attorney General: Mr. Kimball explains how these documents were obtained, that does not necessarily mean that they were admissible as evidence on this particular charge. A lot of evidence has been obtained and put into the records in this case. These records are now with counsel for this company and it is for counsel to examine them and if there is anything that is not admissible in view of these particular charges, it is for him to point it out. But it is to be presumed that everything in evidence is going to be considered in the determination of this question. It is for you to attack what has been put in in your rebuttal, and that is pieces of literature and they would put their initials on all